

## After Ethnic Chaos, Soviet Debate Starts

Demand for Discipline Answered  
By Calls for More Compromise

By Bill Keller  
New York Times Service  
MOSCOW — From the chaos of mass protest, strikes and ethnic violence that have rocked two southern Soviet republics, a sharp new debate has begun to emerge about what "democracy" means in Mikhail S. Gorbachev's Soviet Union.

The conservative view, laid down most authoritatively in the Communist Party newspaper Pravda, is that the ethnic crisis in the southern republics of Armenia and Azerbaijan was the work of extremists egged on by "Western radio voices" to acts of "intolerable" civil disobedience.

Solution: greater discipline. But the youth newspaper Kommunistyaya Pravda, in an extensive, relatively sympathetic two-part reconstruction of the events published Saturday and Sunday, asserted that the crisis arose when well-meaning people were forced into acts of protest because their genuine grievances had been ignored by officials at all levels.

Solution: more responsive government, a willingness to compromise. Mr. Gorbachev has embraced "democratization" as the vital spirit of his program, as a way to animate a numbing populace and spur economic revival.

The press discussion confirms that the struggle between those who interpret this as a call for deepening liberalization, and those who favor a more limited view of democracy, extends into the highest ranks of the Communist Party. Some Armenians and their sympathizers say that to back down now, in the first real test of popular power, would be a demoralizing defeat for democracy. They argue for a shift to such less dangerous tactics as mass resignations from the party or general strikes.

Others urge caution and compromise, fearing that hard-liners in the leadership may use the Armenian unrest as an excuse to cut short the trend toward liberalization.

"We understand that all the demonstrations were the result of glasnost and perestroika," said an Armenian journalist, Zori Belayan, referring to Mr. Gorbachev's catchwords for greater tolerance of public expression, and economic and political reform. "Now, if we believe in glasnost and perestroika, we must take care not to harm them by our actions."

"The time has come for us to decide which side we are on — on the side of perestroika, or of the forces inhibiting it," a Yerevan factory director quoted by the government newspaper Izvestia said. "The opponents of perestroika, added, the events in the

south "can be very advantageous, as it gives them an opportunity to say: 'Look where democracy can lead.'"

Telephone interviews with Armenians and official press reports indicated that while the crisis is not over, it has cooled in recent days. Pravda confirmed that since Fri-

### NEWS ANALYSIS

day strikes have shut down most businesses in Stepanakert, capital of the disputed Nagorno-Karabakh Autonomous Region, where the Armenian majority demands that it be severed from the Azerbaijani Republic and annexed to the neighboring republic of Armenia.

In Armenia, protesters abandoned plans to resume demonstrations after the government moved in troops and declared a ban on public gatherings. Attempts to empty the streets with a mass stay-at-home protest last weekend had little impact.

The ambivalence in the Kremlin has been evident in the way that authorities dealt with the results of events inspired by Mr. Gorbachev's promises of greater freedom. The traditional instinct for order was evident in a virtual news black-

See ASSESS, Page 2



BLOATED DANUBE — Residents of Passau, West Germany, using elevated walkways to make their way through parts of the town. Authorities worked to strengthen the dikes along the river after water burst through dams. Rivers in Europe have been rising, and weekend rains worsened the situation. Page 2.

## Michigan Victory Makes Jackson a Formidable Contender

By Paul Taylor  
and David S. Broder  
Washington Post Service

WASHINGTON — The Reverend Jesse L. Jackson's breakthrough victory in Michigan voting has transformed him into a formidable contender for the Democratic presidential nomination and prompted astonished party leaders to question the ability of Michael S. Dukakis to compete with him.

The Michigan voting ended the candidacy of the third-place finisher, Representative Richard A. Gephardt of Missouri, who had counted

on what he called a "Michigan miracle" to keep his candidacy alive. On Monday, he dropped out of the race.

"It's been said the opera isn't over until the fat lady sings," Mr. Gephardt said. "Last Saturday in Michigan I think I heard her walking to the microphone."

Mr. Gephardt's campaign took off in the first event of the campaign season, the Iowa caucus, boosted by his tough talk against unfair foreign trade. But he won in only two other states, South Dakota and his home state, Missouri.

Mr. Gephardt said Monday that he would file for re-election to his House seat from Missouri. Mr. Jackson won overwhelming-

Jackson is a populist in style and policy. Campaign Basics, Page 3.

ly in Michigan, with 55 percent of the popular vote, compared with 28 percent for Mr. Dukakis, the Massachusetts governor.

In the separate contest for delegates to the party's national nominating convention, the Michigan victory put Mr. Jackson within

striking distance of Mr. Dukakis. The latest Associated Press delegate count put Mr. Dukakis at 603.55 to Mr. Jackson's 397.55. Senator Albert Gore Jr. of Tennessee had 362.8, Senator Paul Simon of Illinois 171.5, Mr. Gephardt 167 and uncommitted 362.6.

Several sources close to Governor Mario M. Cuomo of New York, meanwhile, said the governor had "postponed indefinitely" any decision to throw his considerable support behind Mr. Dukakis.

"He was this close" before the Michigan voting, said one longtime

associate of Mr. Cuomo, holding his fingers close together, "but he's backed off."

Mr. Jackson, in winning for the first time in a northern industrial state, has been propelled to the center stage of the nomination fight, where he hopes that his message of hope, inclusiveness and anti-corporate populism will keep drawing more white votes.

It appeared that Mr. Jackson had won about 15 to 20 percent of the vote among whites in Michigan, although without network exit

polls it was impossible to know for certain.

Only a small percentage of Michigan residents voted in the caucus. With 94 percent of the vote counted, Mr. Jackson had 107,689 votes to 55,337 for Mr. Dukakis. The state has about 5.8 million registered voters.

In continuing to perform far beyond expectations, Mr. Jackson has not only rearranged almost all the basic assumptions about the race for the Democratic nomination, but has also begun to force party leaders to face up to a potential dilemma: the prospect that their nominees will be a black, leftist preacher, still considered by almost all of them to be unelectable in the fall.

"This is a killer," said one party leader, who asked not to be identified. "This hurts. Either way it hurts."

Speaking of black Democrats, he said, "Down one path we have to turn our backs on everything this party has purported to stand for — and on our most loyal voting bloc. Down the other, we face certain disaster in the fall."

The easiest way for Democrats to steer clear of this double-bind See DEMOCRATS, Page 3

## U.S. Says It Misjudged Noriega's Resistance

By Susan F. Rasky  
New York Times Service

WASHINGTON — The Reagan administration has miscalculated the ability of Panama's military leader, General Manuel Antonio Noriega, to withstand American economic pressure aimed at forcing his removal and is considering further moves against him, according to a senior State Department official.

Elliott Abrams, the assistant secretary of state for inter-American affairs, said Sunday that while suspension of American economic and military aid to Panama and the suspension of payments for operation of the Panama Canal had squeezed the Panamanian economy, the situation in Panama would have to be re-evaluated next week if General Noriega were still in power.

"A lot of things will come to a head in early April," Mr. Abrams said. He declined to say what additional steps the United States might take to force General Noriega to leave, but administration officials said that among the options being considered was his forcible extradition to the United

States, where he is wanted on drug and racketeering charges.

The officials did not make it clear how that could be accomplished. But Panamanian opposition leaders here said they understood from the administration and from leaders in Latin America that the United States had considered seeking his extradition through a request to Costa Rica, which he tried to arrange to visit over the weekend.

According to senior Latin American diplomats, General Noriega wanted to discuss his political future with the Costa Rican president, Oscar Arias Sánchez, and Prime Minister Felipe González of Spain, who also was in Costa Rica over the weekend. Spain has offered General Noriega political asylum if the United States agreed not to ask Madrid for his extradition.

Asked specifically whether the United States would attempt to extradite the general forcibly and if so how this might be accomplished, Mr. Abrams replied, "I don't want to rule anything out because I want

See PANAMA, Page 2



Panamanian children waiting outside a church for food distributed by Caritas, a Catholic charity.

## Bureaucracy in China To Be Slashed by 20%

By Edward A. Gargan  
New York Times Service

BEIJING — China announced Monday that its central government, an immense sclerotic organism, would be drastically reorganized and 20 percent of its bureaucratic work force slashed to encourage efficiency and better decision-making.

The plan was explained by Song Ping, a member of the Communist Party Politburo and a state council-

or, the equivalent of a cabinet officer, in a speech to the delegates at the annual meeting of the National People's Congress.

The government reorganization, if approved as expected by the 2,900 delegates to the congress, would be the most sweeping since the founding of the People's Republic in 1949.

"Without restructuring the government organs," Mr. Song said, "the economic reform cannot be carried out in a deep-going way, nor can the achievements of the economic reform be consolidated, nor can many measures for reforming the political structure be implemented."

The phrase "economic reform" is used by the Chinese leadership to encompass the set of policies aimed at moving the country from orthodox socialism toward a more market-governed economy freed from government controls. Affected by the move are ministries involved in critical areas of the Chinese government and economy, including planning, energy, transportation and water, many of which have been increasingly troubled in recent years.

Describing the restructuring as "the establishment of a complete system of modern administration and management," Mr. Song outlined a plan that would strip some ministries of much of their power, alter the mission of others and transform still others into essentially autonomous corporations.

With the continuing reform of the Chinese economy, Mr. Song said, "the defects of the current government setup become conspicuous." Among these shortcomings, he explained, was the government's "irrational structure, too rigid micro-management, insufficient macro-control, overlapping institutions, overstaffing, lack of distinction of functions and duties and low working efficiency."

As part of the streamlining, Mr. Song said, government depart-

See CHINA, Page 2

### Kiosk

#### World Stocks Down Sharply

Stock prices fell sharply Monday in most European and Asian financial centers as the weaker dollar and last week's slump on Wall Street combined to shake investors' confidence.

Prices on the New York Stock Exchange ended mixed, with the Dow Jones industrial average gaining less than a point and broader market indexes closing lower. But stocks ended lower in London, Frankfurt and Paris, and in all major Asian centers except Tokyo. (Page 8.)



Prime Minister Mahathir bin Mohamad has tightened his grasp on Malaysia in the past year. Page 6.

#### General News

South African troops killed four persons during a raid on Botswana. Page 6.

Dow Jones	The Dollar
Up 0.62	1.8555
	1.8715
	123.75
	5.6105

## Armenians Stage New Mass Protest

By Bill Keller  
New York Times Service

MOSCOW — Striking Armenian protesters have shut down factories, schools and cargo rail traffic in the provincial capital of Stepanakert in the latest stage of a territorial dispute involving two southern republics, Soviet newspapers reported Monday.

The government newspaper Izvestia said protesters attempted to block buses bound for factories and threatened workers who insisted on going to work.

Local authorities sent sound trucks through the city, broadcasting appeals to workers to end the strike, Izvestia reported.

The newspapers did not disclose when the work stoppages began, or whether they have hit other cities, but said the economic impact of the strike was widespread.

Stepanakert is the capital of the Nagorno-Karabakh Autonomous Region, a mountainous wedge of land populated by an Armenian majority but governed since 1923 by the republic of Azerbaijan.

A campaign by Armenians to See ARMENIA, Page 2

## MacArthur: An Old Soldier Japan Can't Forget



General Douglas MacArthur and Emperor Hirohito.

By Margaret Shapiro  
Washington Post Service

TOKYO — The green leather desk chair is faded, and the carpet is musty. But nearly four decades after General Douglas MacArthur was called home, the office from which he ruled over the remaking of defeated Japan remains intact, a monument to that chaotic time and to the often imperious man who still inspires a certain awe among many Japanese.

Dai-ichi Mutual Life Insurance Co., one of the richest in the world, again occupies the gray building with the imposing pillars that served as general headquarters for the occupation forces from 1945-52. When U.S. occupation troops arrived in 1945, Dai-ichi was given one week to vacate the building. When the company finally returned seven years later, clerks and files moved back into every office except one — the sixth-floor room that General MacArthur occupied.

"After all, isn't it a kind of historical monument?" Susumu Kaho, Dai-ichi public relations vice president, asked recently. "This room was witness to history."

From there, for instance, came orders allowing Japanese workers to unionize for the first time, giving women the vote, purging thousands of ultranationalists and drafting a "no war" constitution that still is entrenched as the law of the land.

Officially it is known as the Memorial Room, used by Dai-ichi only for executive board meetings. On other days, the simple office regularly draws numbers of visitors eager to sit at the table General MacArthur used, or to peer, as the general did, at the cloisonné dragon vase, the old wood

armoire and the peaceful boating scenes on the wall. There have been a few changes: A Toshiba color television and video cassette recorder sit in one corner, presumably for use by the executive board. And a bust of one of Dai-ichi's founders graces one wall.

But mostly the impression is of a room unchanged by time, missed by the modernity that has swept the rest of downtown Tokyo.

According to Dai-ichi, about 1,200 people come to see the office every year, most of them middle-aged Japanese who lived through those days of hardship and remember General MacArthur with respect.

The occupation is widely seen here as a time when militarism was rooted out, the emperor demystified but allowed to remain on his throne and democracy and the underpinnings of today's economic prosperity established.

"Americans regard MacArthur as a conqueror of Japan but the Japanese did not take him that way. He was a liberator. Japanese regarded MacArthur as the highest human being, just below God," said Rujiro Sodei, a political scientist who has written several books about the general.

His carefully cultivated aloofness and regal bearing, which so irritated his political enemies in the United States, struck the Japanese, with a long history of benevolent but distant military leaders, just right.

He shunned all social interactions with the Japanese, meeting only Emperor Hirohito, the prime minister and a handful of other politicians. A driver brought General MacArthur to work each

See MACARTHUR, Page 2



# Rising Rivers Across Europe Threaten Widespread Floods

**The Associated Press**  
**BONN** — West German authorities worked urgently Monday to strengthen dikes along the Danube River after floodwaters burst through several earthen dams, forcing the evacuation of hundreds of homes.

Major rivers across West Germany have been rising for about two weeks, but heavy rains over the weekend worsened the situation.

The Rhine River was rising 2 centimeters (just under an inch) a minute in some places, threatening homes and businesses in Cologne, Bonn and other communities.

Two young West Germans drowned Sunday in southern West Germany, bringing to eight the number of people killed since flooding started two weeks ago.

The latest casualties were a 21-year-old woman and her 20-year-old brother, both of whom drowned when their canoe overturned on a rain-swollen river near Markklofen.

The rising Rhine water forced authorities to close parts of a major highway between Mainz and Koblenz, and disrupted rail traffic.

Officials said about 1,400 people were evacuated Sunday night and early Monday after the Danube burst through several dikes near Regensburg, about 90 kilometers (about 55 miles) north of Munich. Hundreds of farm animals were also taken to higher ground, the authorities added.

Hans Voggenreiter, a spokesman for the rescue operation, said it was the worst flooding in the area since 1920.

Squads of volunteers used sandbags to fortify dikes along the Danube as officials warned there could be more evacuations.

Riverside sidewalks and some streets in Bonn, the federal capital, have disappeared beneath the Rhine's floodwaters.

Residents of the villas that line the Rhine at the Bonn district of Bad Godesberg, home to many diplomats, used pumps in dry out flooded cellars.

In Cologne, a police spokesman said the old town was under threat and warned that a major road tunnel under the Rhine might have to be closed.

In Czechoslovakia, two persons died and three others were injured when a tree uprooted by raging floods fell on a tourist bus in the Trutnov district, north of Prague.

The Elbe River was reported 2.5 meters above normal in the city of Decin, press reports said. The Danube in Bratislava rose half a meter between Sunday and Monday.

Roads west of Prague were flooded, throwing road and rail transport into disarray.

In Dresden, East Germany, a number of Elbe bridges were closed and the ADN press agency said civil defense and water workers were struggling to secure buildings in low-lying areas.

## 100 Political Prisoners Released by Sandinists

**By Julia Preston**  
**Washington Post Service**

**MANAGUA** — The Nicaraguan government, in its first important step to comply with the recent cease-fire pact, has freed 100 political prisoners.

At the midday release ceremony at Managua's Zona Francesa prison, Interior Minister Tomás Borge Martínez warmly supported the cease-fire agreement, calling it "the only way to achieve a permanent, dignified peace."

Mr. Borge's speech Sunday dispelled concerns that there might be differences over the pact among the nine top commanders who head the ruling Sandinista National Liberation Front.

The release occurred amid signs of continuing discussion among the contras and their supporters over the accord, signed in the southern border town of Sapoa. The directors of the Nicaraguan Resistance, the contra alliance, said at Sapoa that they would present the government with a list of prisoners they wanted liberated Sunday.

But their roster, prepared Saturday in occasionally stormy meetings in Miami, was finished too late for the required approval by the Sandinista-dominated National Assembly. Contra negotiators have been preoccupied since Wednesday answering criticism from their partisans that they settled for too little at Sapoa and exposed contra fighters to danger.

The list of those freed was drawn up by the government and approved by the National Assembly. It nevertheless included prisoners whose cases were widely publicized by human rights groups and dozens of members of opposition groups.

One was Roberto Amador Narváez, a contra pilot shot down by Sandinista gunners Oct. 3, 1983, while flying supplies to rebel fighters. Mr. Amador, who was robust and dark-haired when imprisoned, emerged Sunday with gray hair and with his back in a brace to ease the pain of a spinal fracture he suffered when his plane crashed.

As he was smothered by the embraces of relatives sobbing for joy, Mr. Amador said he never renounced his affiliation with the contras while in Sandinista hands. But he said Sunday that he was "apolitical," and that he planned to live in Miami. Mr. Amador said his treatment in prison was "sometimes average and sometimes bad, but never good."

Also freed was Manuel Adán Rugama, 28, a physician whose mother, Violeta, is a founding member of the Jan. 22 Movement, the committee of relatives of political prisoners that has been repeatedly harassed by Sandinista authorities.

Dr. Rugama appeared stunned Sunday and refused to comment to reporters until, he said, "I make sure I'm really free."

In the crowded auditorium where the prisoners were given amnesty certificates, Dr. Rugama's mother said that she was worried because no other relatives of committee members had been freed.

About 1,400 Nicaraguans accused of collaborating with the contras remain in Sandinista prisons, according to government and International Red Cross figures, as well as about 1,850 former soldiers of the National Guard of the late dictator Anastasio Somoza. Several hundred more who have been freed are believed to be in other prisons.

Under the Sapoa agreement, half of those accused of helping the con-

tras will be released April 15, when contra fighters are to have finished moving into cease-fire zones. The other half will be freed when a final cease-fire pact is reached through negotiations to begin April 6.

The National Guardsmen are to be freed only after the war is ended. Their cases will be reviewed by the human rights commission of the Organization of American States to avoid freeing those guilty of war atrocities. The National Assembly approved the amnesty law Saturday.

Sandinista leaders said over the weekend that the amnesty, particularly for the National Guardsmen, has consistently met more opposition from followers of the Sandinista party than any other concession proposed under a regional peace plan reached in August by the five Central American countries.

Sunday's prisoner release took place on the first day of Easter Week, apparently out of deference to Cardinal Miguel Obando y Bravo, the primate of Nicaragua, who was an observer in the talks. At his Sunday homily in Managua, Cardinal Obando noted that the "nucleus" of the Sapoa accord was a proposal he presented Feb. 18 at a round of preliminary cease-fire talks he had mediated in Guatemala City.

But the cardinal warned that Sapoa "doesn't mean we've already achieved peace."

"Peace is the product of development and justice," he said. "We have to work at it all together."

## PANAMA: A Miscalculation

**(Continued from Page 1)**

Noriega to have some sleepless nights.

Mr. Abrams said the administration had underestimated the ability of the general to withstand pressure applied so far. The miscalculation, he said, was based in part on the U.S. experience in using economic pressure to force President Ferdinand E. Marcos of the Philippines and President Jean-Claude Duvalier of Haiti from office.

"Our experiences with Marcos and Duvalier had led us to believe this would work," he said. "We now realize that it is easier to remove civilian dictators than military ones. In analogous circumstances Marcos and Duvalier were gone already."

Mr. Abrams said one option for increasing the pressure on General Noriega would be for Congress to invoke the International Emergency Economic Powers Act. This law, which has been used against Libya and Iran, would give the president broad authority to declare a national emergency with respect to a particular foreign country.

Although resolutions passed in both the House and the Senate have expressed broad support for further economic measures to hasten his removal, the administration has said it did not believe it was necessary at this time to invoke the law.

In the meantime, the State Department and Panamanian officials in exile here are putting the finishing touches on a plan to airlift at least \$1 million worth of emergency food supplies into Panama. Mr. Abrams said the aid was intended not only for humanitarian purposes, but also to ensure that the current economic sanctions, which have virtually paralyzed the Panamanian economy, do not turn the Panamanian people against the United States.

## ISRAEL: 3-Day Closure

**(Continued from Page 1)**

licemen, including a helicopter-borne tactical unit and additional army units called into the Galilee, is under way to deal with the demonstrations.

Israeli Arabs living within the pre-1967 borders have called for demonstrations on Wednesday in solidarity with Palestinians in the occupied territories.

Last December, virtually all of the roughly 700,000 Arab citizens of Israel proper joined in a general strike supporting the protest movement.

Prime Minister Yitzhak Shamir, speaking Monday to a special session of the Knesset, or parliament, called on Israeli Arabs to remain calm.

"Don't be dragged after the inciters and agitators," Mr. Shamir said. "Deter from your midst the inflames of the foreign fire and guard the peace with the nation of Israel."

In an interview with Monday's Ma'ariv newspaper, the prime minister said: "If the Arabs of Israel won't come to their senses, reality will be harder and laden with impending disaster. I am not afraid. A test of strength between us and them is like a contest between an elephant and a fly."

**Shamir Assails Shultz**

Prime Minister Yitzhak Shamir criticized the U.S. secretary of state, George P. Shultz, for meeting two Palestinian Americans and renewed his opposition to a U.S. Middle East peace plan. Reuters reported from Jerusalem.

In a speech to the Knesset, the Israeli parliament, Mr. Shamir attacked Mr. Shultz for meeting professors Edward Said and Ibrahim Abu Lughod, members of the Palestine National Council, a body linked to the Palestine Liberation Organization.

"We take a very grave view of American efforts to establish contacts with people of the P.L.O.," Mr. Shamir said.

"Members of the Palestine National Council are members of the P.L.O. in every way," he said. "This council is the highest body of the terror organizations."

Mr. Shamir's criticism of the United States, Israel's closest ally, came six days before Mr. Shultz returns to the Middle East to press for a U.S. peace initiative that Mr. Shamir opposes.

Israel regards the P.L.O. as a terrorist group bent on destroying the Jewish state. A 1975 agreement with Israel bars the United States from negotiating with the P.L.O.

In his speech, Mr. Shamir again rejected a U.S. proposal to convene an international peace conference, which he said would force Israel to withdraw from the occupied areas to indefensible borders.

**New Beirut Daily Published**

**The Associated Press**

**BEIRUT** — A new daily newspaper began publishing here Sunday, raising to 14 the number of dailies in Beirut. The newspaper, Ad-Diyar (The Homeland), is owned by a group of Christian journalists based in East Beirut.

After a virtual blackout during the tense weeks of protest, the central newspapers have begun in the past week filing daily reports from the unsettled region. Monday's reports from Shepanski were the first to disclose in any detail that protesters had resorted to strikes.

Disidents in Moscow and Armenians reached by telephone in Yerevan had provided second-hand reports of a strike in Nagorno-Karabakh, and Lzestvia noted briefly on Sunday that most industrial enterprises were not working.

An official at the Communist Party headquarters in Shepanski said he was not authorized to answer questions, and calls to the local newspaper and train station were not answered.

The Communist Party newspaper Pravda reported that workers in Shepanski had disrupted rail traffic throughout the region by refusing to unload cargo at the city stations.

As of Sunday, the report said, 93 freight cars of flour, lumber, ce-



Two Kurdish protesters were pushed into a van by police after a rally in Vienna on Monday.

## Shots Fired at Vienna Kurdish Rally

**The Associated Press**

**VIENNA** — Shots were fired Monday during a Kurdish demonstration outside the Iraqi Embassy in Vienna to protest the use of chemical weapons, the police said. No one was hurt in the incident.

A participant in the demonstration told an Austrian radio station that a man with an automatic rifle fired shots into the streets from inside the embassy building.

A police spokesman confirmed that at least six shots had been fired inside the building.

The police said 64 people were arrested for their part in the two-hour protest, one of many at Iraqi missions all over the world.

The demonstrator told the Austrian radio station that a delegation of three or four protesters wanted

to speak to officials from the embassy to protest the use of chemical weapons in the Gulf War.

Iran claimed that after its forces overran the Iraqi Kurdish town of Halabja, the Iraqi Air Force on March 16 and 17 dropped cyanide gas and nerve gas that killed at least 3,000 people and injured 10,000.

The demonstrator, who was not identified by the radio, accused Iraq of "war crimes" and "violating human rights."

The police spokesman said some demonstrators forced their way into the building and "shoved" embassy personnel, but embassy security guards forced the protesters back out of the building.

**Iran Attacks Tankers**  
 Iranian gunboats attacked two

tankers Monday and Iraq claimed that its warplanes hit a ship the day before, all three in the southern reaches of the waterway, Reuters reported from Dubai.

Shipping sources said Iranian gunboats attacked the 337,700-ton Danish Karama Maersk and the 219,287-ton Liberian-flag Golar Kamsai off the coast of the United Arab Emirates.

No casualties were reported in the two attacks by Iranian gunboats. They brought to nine the number of neutral ships hit by Tehran in eight days.

Meanwhile, the Iranian news agency IRNA said Iraqi aircraft bombed residential areas of three western Iranian cities, killing and wounding civilians.

## ASSESS: After Ethnic Violence, Soviet Debate Begins

**(Continued from Page 1)**

out within the Soviet Union that only ended a week ago, in the dispatch of troops to Armenia and Azerbaijan, in the disbanding of unofficial citizens' committees, in the arrests of some dissidents and in the continuing ban on travel by foreign reporters to the region.

On the other hand, the authorities took some steps that would have been unimaginable a few years ago: the initial decision not to interfere when hundreds of thousands of Armenians took to the streets in peaceful protest; the openness of senior leaders, including Mr. Gorbachev, to delegations representing the protesters; the offer of some concessions to the Armenian majority in Nagorno-Karabakh, and the absence so far of reprisals against the main leaders of the uprising.

With the introduction of relative calm, the Soviet press has begun to explore the causes of the unrest. Pravda has taken a hard line, defending the territorial status quo and scolding the "self-proclaimed" protest leaders who seized the initiative and indulged in "street democracy."

Behind the protest, Pravda smelled a conspiracy — how else could the protesters be so well-organized?

Pravda condemned local officials in Nagorno-Karabakh who sided with the demonstrators for putting "parochial interests" above the interests of the state.

However, Komsomolskaya Pravda, the Young Communist League newspaper, painted a different picture. In its two reports, signed by four correspondents of different ethnic backgrounds, it said that the real failing was the indifference of officials in Moscow and the two republics to a popular

movement that began two years ago.

"Hundreds of letters and telegrams have been sent to Moscow with requests to consider the problem of Nagorno-Karabakh," the paper said. "And the organs of power: Did they react? Did they try to explain, to discuss, to change the course of events? No, they tried to ban."

As a result of this indifference, the writers went on, "the reasonable moved to the camp of the moderates, the moderates in their turn moved to the extremist camp."

The articles pointedly did not condemn the Armenians who surged into the streets last month demanding Moscow's attention or the local officials who sided with the protesters.

Most striking, they did not reject

the Armenian territorial demands out of hand but suggested a compromise — giving the Nagorno-Karabakh region greater autonomy from Azerbaijan.

Soviet intellectuals who consider themselves liberals believe that the view expressed in Komsomolskaya Pravda is much closer to Mr. Gorbachev's own. But they question whether the country is ready to have this issue put to the test.

It is a worry that the Soviet leader or himself expressed last July in propounding his view of democracy to a group of editors and writers.

"We still lack political culture, we lack the culture to conduct the debate and respect the viewpoint even of a friend, a comrade," Mr. Gorbachev said. "We are an emotional people. We will probably get over all of this. We will mature."

## CHINA: Bureaucratic Shake-Up

**(Continued from Page 1)**

ments would no longer be involved in the direct management of enterprises. Rather, he said, enterprises themselves will assume responsibility for their own management and profitability.

Under the plan, a single state planning commission will be created, replacing the current two economic management commissions.

The new body, however, will not exercise control over what Mr. Song described as "micro and trades management." Instead, he explained, the new planning commission would devise development strategies and draw up short- and long-term economic plans.

The ministries of Railways, Petroleum Industry, Coal Industry and Nuclear Industry are to be

abolished and replaced by corporations, Mr. Song said.

"As these corporations will not perform the government's functions, they will be, in essence, economic entities operating independently and assuming full responsibility for their own profits and losses," said the official Xinhua news agency, quoting Mr. Song's speech.

"This," he said, "will help invigorate enterprises and streamline administrative offices."

A Ministry of Personnel is to be established to oversee the introduction of a government system of civil service. The plan calls for the creation of a system of professional government workers who are appointed and promoted on the basis of merit rather than the whim of the party.

## ARMENIA: A Protest Strike Hits Provincial Capital

**(Continued from Page 1)**

nians in Yerevan staged a demonstration to demand Mr. Arifkyan's release, but attempts to reach the Armenian capital late Monday for additional information were unsuccessful.

After a virtual blackout during the tense weeks of protest, the central newspapers have begun in the past week filing daily reports from the unsettled region. Monday's reports from Shepanski were the first to disclose in any detail that protesters had resorted to strikes.

Disidents in Moscow and Armenians reached by telephone in Yerevan had provided second-hand reports of a strike in Nagorno-Karabakh, and Lzestvia noted briefly on Sunday that most industrial enterprises were not working.

An official at the Communist Party headquarters in Shepanski said he was not authorized to answer questions, and calls to the local newspaper and train station were not answered.

The Communist Party newspaper Pravda reported that workers in Shepanski had disrupted rail traffic throughout the region by refusing to unload cargo at the city stations.

As of Sunday, the report said, 93 freight cars of flour, lumber, ce-

ment and other goods stood unattended in Shepanski because most workers had stayed off the job.

"The grave situation at the Shepanski station and at many enterprises in the region in February and March due to the fact that people did not show up for work aggravated the economic situation not only in Nagorno-Karabakh, but to some extent in the entire republic," Pravda said.

An Izvestia correspondent reported that he spoke Monday expecting to find things returning to normal in Shepanski, following "stormy" meetings at most of the city's factories.

But everywhere he went — at a shoe factory, a silk plant, and electrical parts plant — he found that workers had stayed home.

The correspondents said Azerbaijani workers came to the plant gates, but refused to work when they learned the Armenians were on strike.

Pointing out that local government and Communist Party officials had already voted in support of the demand for union with Armenia, Izvestia wondered rhetorically what else the protesters hoped to accomplish.

## WORLD BRIEFS

### French Hostage Talks Are Rumor

**PARIS (Reuters)** — Interior Minister Charles Pasqua cut short to Africa on Monday amid reports that France may be negotiating release of three of its citizens held hostage in Lebanon.

Interior Ministry officials said Mr. Pasqua was returning to because Prime Minister Jacques Chirac was leaving for a long-term visit to French overseas territories. Mr. Chirac, the Gaullist candidate in upcoming presidential elections, has denied that any deal on the he is being negotiated.

Interior Ministry sources said, however, that a link between surprise cancellation of the visit and three French hostages in Lebanon could not be excluded. Mr. Pasqua has been closely involved in the liberation of other hostages held in Lebanon.

### Portugal Is Paralyzed by Huge Strike

**LISBON (Reuters)** — About two million workers staged the b strike in Portugal's history on Monday in a bid to stop planned changes labor law, union officials said.

The strike was the first action ever organized jointly by both Communist-led General Confederation of Portuguese Workers and mainly Socialist General Workers Union. More than half of Port 4.5 million workers belong to the two groups.

Public transport was worst affected with almost no buses, tr streetcars running. More than 40 flights from Lisbon's airport canceled. Minimum bus and Metro services in the capital failed to until after the morning rush hour. The strike was almost total in the and in nationalized industries such as chemicals, steel and ship-build

### U.S. Awaits a Response on Afghan

**GENEVA (Reuters)** — The United States is awaiting a Soviet reply to its proposals to break the deadlock at UN-sponsored talks on Afghanistan, a U.S. official said Monday. "I don't personally know what Soviet reaction is going to be, or how they propose to proceed," Robert Pack, U.S. deputy assistant secretary of state, as he arrived fresh discussions with Diego Cordovez, UN mediator.

The talks, aimed at getting the estimated 115,000 Soviet troops c Afghanistan, have stalled over U.S.-Pakistani insistence that Moscow military supplies to the Afghan government in symmetry with any aid cuts to Afghan rebels.

Moscow has agreed to pull out its soldiers, but the Soviet foreign minister, Eduard A. Shevardnadze rejected several proposals on aid made last week in Washington by the U.S. secretary of state, G. P. Shultz.

### Libya to Recall Egypt Border Troop

**LONDON (UPI)** — Colonel Moammar Gadhafi said Monday that he was ordering the withdrawal of all Libyan forces from the Egyptian border area, but he ruled out the restoration of full diplomatic relations with Cairo.

The planned withdrawal of Libyan troops was the latest in a series of moves taken by Libya and Egypt in recent weeks to improve relations, which were broken off in 1977 following Egyptian talks with Israel.

Colonel Gadhafi made the announcement at the former British military base at Tobruk during ceremonies marking the 18th anniversary of the creation of the Egyptian republic. He did not give a timetable for the withdrawal, and the Egyptian government had no immediate comment.

### For the Record

An anonymous buyer paid \$484 million (\$9.1 million) on Monday Modigliani's "The Portrait of Mario" at an auction at Christie's London. It was the highest price ever paid for a work by the Italian art the painting that had been given star billing for the sale, "Washerwoman Carrying Laundry" by Degas, was sold for \$3.96 million, less it expected. Its buyer also chose to remain anonymous. (AP)

## TRAVEL UPDATE

### Japanese Airline Increases Flights

**TOKYO (Reuters)** — All Nippon Airways Co. will increase frequency of its overseas flights, a company spokesman said Monday. The airline will add one weekly flight to both Sydney and Washington starting in April, for a total of two flights a week to Sydney and five Washington. Starting in June, flights to Beijing will be increased to three to five a week, to Hong Kong from four to seven a week and Guam from six to seven a week, the spokesman said.

### British Seamen Cancel Strike Vote

**LONDON (AP)** — Britain's National Union of Seamen called off strike vote of its 20,000 members Monday following a second High Court ruling to block the ballot, ending the threat of a nationwide strike during the busy Easter holiday period.

The judge said the union was trying to induce members to a unlawful secondary strike action in support of 2,300 striking seamen P&O's ferry operations at Dover. French seamen of Sealink, meanwhile continued a 10-day strike.

### Correction

Because of a reporting error, an article in the March 22 edition of Volkswagen AG incorrectly characterized the position of Noel Phil chief executive and president of its U.S. subsidiary, Volkswagen America. He remains in those posts.

## West Germans Hold 6 As Soviet Spy Suspects

**By Serge Schmemmann**

**New York Times Service**

**BONN** — West Germany announced the arrest of six suspected Soviet spies Monday, including four Soviet emigrants and an engineer who may have passed along information about two jet-fighter projects.

Announcing the arrests at a news conference in Karlsruhe, the West German federal prosecutor, Kurt Rehmann, described them as "a major penetration of the KGB's spy network" and "the biggest blow to the Soviet secret service since the establishment of the federal republic."

The extent of potential leakage of West German secrets was not immediately known, the official said, but it could be extensive.

The most potentially damaging of those arrested was identified as Helmut S. Kolisch, a 44-year-old Vienna-born engineer who had worked for a number of high-techology firms in the 17 years or more since he was allegedly recruited by the KGB, Mr. Rehmann said.

The information he passed on to Moscow presumably included data on the European Fighter Aircraft or "Eurofighter" jet, which is being developed by West Germany, Britain, Spain and Italy, and the North Atlantic Treaty Organization's Tornado interceptor, built by West Germany, Italy and Britain.

Others arrested included three engineers and two teachers, who had all worked independently of each other, Mr. Rehmann said.

In Bern, the Swiss federal prosecutor's office announced the arrest of a 40-year-old engineer in a junction with the West German swoop.

The director of the West German counter-espionage office, Agency for the Protection of Constitution, Gerhard Roß, said the suspected spies were covered through a highly secret new method that had also led to arrest last week of a Bonn government secretary, Elke Falk, charged of spying for East Germany. Miss Falk's arrest, however, was not otherwise linked to the Soviet spy suspects, officials said.

Mr. Roß said he expected method to yield more arrests.

Mr. Rehmann said the arrests were made in a series of raids the past week. The prosecution 169 West German officers were involved in the operation. A number of German newspapers had reported that a major swoop against suspected spies was under way, but government made no comment until Monday.

West German government officials were quick to say that the arrests would not affect a planned exchange of official visits by Chancellor Helmut Kohl and Mikhail Gorbachev, which is expected to crown a steady improvement in relations between Moscow and Bonn. Mr. Kohl is scheduled to visit Moscow in the fall, and Mr. Gorbachev is expected in Bonn in early

**Visiting New York City?**  
**Gramercy Park Hotel**  
 Distinguished 500 room hotel overlooking Gramercy Park. Excellent Restaurant, Cocktail Lounge, Piano Bar and Room Service. Multi-lingual staff. Minutes to Business Center, Sightseeing, Banquet/Meeting facilities.







# Herald Tribune

## Ozone: A Close Call

For years, environmentalists warned the chemical industry that chlorofluorocarbons were destroying the ozone layer. The industry, led in this case by E.I. du Pont de Nemours & Co., brushed the critics off. Now comes new evidence that the problem is even worse than thought, and du Pont, having been the chief offender, becomes the leading convert to the other side. The company announced the other day that it now supports "an orderly transition to a total phaseout" of the most harmful of these compounds. It is hard to know quite how to react. The new position is laudable; the old may turn out to have been disastrous.

The frightening aspect of the story is not just what appears to be happening to the ozone layer, but how familiar the pattern is. The modern week is not complete without its warning that another substance or practice of some kind, somewhere, threatens world health. The warning-and-alarm industry just as regularly says the evidence is ephemeral or incomplete. Often the industry is right, as for a long time it was in this case. That doesn't mean the warnings are wrong.

Chlorofluorocarbons, or CFCs, were first produced in the 1930s. The gases are used in refrigeration, air conditioning, insulation and the making of various foam products. With the possible exception of some foam containers, who would want to do without these things? The CFCs have the further virtues of being cheap, nonflammable, nontoxic and remarkably long-lasting. But this long-lasting part is also their down side. When vented, as almost all eventually are, they slowly rise into the stratosphere to mix

with and weaken the ozone layer, which protects Earth from ultraviolet rays. Scientists think that this thinning out of the ozone layer will mean more skin cancer and possibly serious damage to plant life.

In recent years the evidence of the thinning out has become much stronger. This month a new report said there had been losses of as much as 3 to 5 percent in some parts of the globe in just the past 10 or 20 years. That implies much greater future losses, since huge amounts of CFCs are still rising in the atmosphere or have not been vented yet. The weakening already in train is likely to last well into the next century.

Du Pont, which believes it has found, and in a few years may be able to produce, a substitute for CFCs, had already endorsed a freeze and cut in world CFC production. So had the rest of the U.S. industry, and the Reagan administration last year negotiated a treaty to achieve a 50 percent cut in world production in 10 years, which the Senate approved this month. That was a formidable accomplishment, but further cuts are needed. A tightening of the treaty is the right way to achieve this, although the industry, seething an eager market, may already be bent on finding safe substitutes as quickly as it can. There may also be means of limiting further venting.

The harder lesson is that the environmentalists need not be right all the time to be right enough. There is a limit to what can be spread into the air and earth and water and still have them support us. The world may have been lucky this time around.

—THE WASHINGTON POST.

## Afghanistan Puzzle

The countdown on Soviet withdrawal from Afghanistan is producing turbulence in both Washington and Moscow. In Washington, the widespread and realistic expectation was and is that as Soviet troops depart, the regime they created is likely to crumble. And that new arm could not be nearly as important to Kabul as the stockpiles the Soviets are preparing to leave behind. For these reasons, the question of further Soviet arms deliveries has not been considered of paramount importance.

Nonetheless, when withdrawal started becoming a real prospect some months ago, the Reagan administration began to firm up its position on post-withdrawal aid. Perhaps the risk was remote that a Kabul regime that was falling even with full, direct Soviet support would suddenly turn tiger and, on its own, use fresh aid to deny a newly cut off (though heavily stockpiled) resistance what it had been promised. Still, the administration found it reasonable not to take an unnecessary risk. Moreover, heavy-breathing conservatives who believe that an inattentive Ronald Reagan is vulnerable to being hoodwinked by the striped pants set have been turning up the heat lately, and the administration is responding.

The Soviets don't like it. They claim that

they had a deal and Washington reneged. Actually, they had a deal with an asterisk. The United States agreed to stop arming the resistance as Soviet forces withdrew, as long as other provisions of the accord were acceptable. But there seems little doubt that Washington is in fact toughening its terms.

Toughening them to a point at which Moscow will suspend its decision to leave Afghanistan? There is less Soviet complaint over other aspects of the Afghanistan package. The United States has, for instance, helped persuade Pakistan to modify its position on a new Afghan coalition. And the considerations that first brought Moscow to decide to withdraw—cutting losses, putting on a new face—presumably still hold. The Soviets could yet pull out unilaterally, without an agreement with Washington; that has been their threat and message.

Still, the sequence gives this administration, and the next, something to ponder. A negotiation involves a back and forth, but there is a limit to the pressures that can be applied without imperiling the main benefit of the transaction or inviting retaliatory pressure in other crisis spots. Those are the delicate calculations which the Reagan administration has to keep in mind.

—THE WASHINGTON POST.

## A Pilotless Lemon

The Pentagon spends billions in developing high-tech weapons to offset the Soviet edge in numbers. To understand how perversely this vital agenda is pursued, consider the death of the Aquila, a pilotless plane that the army has been developing for 14 years. It is one of the few new weapons canceled in the new defense budget.

Pilotless planes, also called "remotely piloted vehicles" or RPVs, were used brilliantly by the Israeli army in the 1982 invasion of Lebanon. Its Mastiffs—essentially model planes equipped with a Sony television camera—pinpointed Syrian missile sites for artillery to obliterate. For lack of RPVs, the United States lost two pilots in an attack on Syrian missiles in Lebanon. Its battalions were useless since the spotter plane that was needed to direct their gunfire would have been shot down.

RPVs, like the Mastiff, fly too high to be seen and are made of plastic that is invisible to radar. They are invaluable for many tasks that would put planes and pilots at severe risk, and are far cheaper. They can monitor battlefields, and jam or deceive radars. Given recent advances in computers and microelectronics, they are an ideal vehicle for carrying U.S. technological prowess into the battlefield. The Pentagon's neglect of RPVs illustrates several endemic pathologies.

Designing for parade, not battle. Pilots like to fly planes. The pilots who run the air force and naval aviation have resisted RPVs except as practice targets. Yet surely the services would welcome RPVs in tasks that could get pilots killed. Of course they do. In the Vietnam War, RPVs flew some 3,000 reconnaissance missions. But that was wartime. RPVs were dropped, and by 1981 the

Pentagon had none that were operational. Leaving the army desperate for air support. The air force has never been interested in the dull, slow-flying planes needed to support ground troops, yet it refuses to let the army build its own. Hence the army was the only service interested in RPVs, and in 1974 began its Aquila program. Here a sorry tale.

Ruining good designs. Each service has a bloated design bureaucracy employing thousands. Each bureau strives to add on new sensors, armor, frills and furbelows. The costlier a program gets, the more power to the program officer. The Aquila (Latin for "eagle") is a prime example of this ruinous process. Development costs soared from \$123 million in 1978 to nearly \$1 billion by 1987. The unit price rose from \$100,000 to a staggering \$1.8 million.

Engle to turkey. Israel's Tadiran Limited took five years and \$500,000 to develop the Mastiff into a superbly effective weapon. In contrast, Lockheed, under the army's direction, turned the Aquila into a turkey. The General Accounting Office reported that in tests last year the Aquila proved hard to launch, regularly failed to detect its targets and successfully completed only seven out of 105 flights. After 14 years, it is such a disaster that even the Pentagon proposes to cancel it.

The navy now sees that RPVs are essential for its resurrected battleships to be of more than ceremonial use, and has bought RPVs from Israel. Why isn't every branch of the services vigorously exploring the use of these smart, cheap, effective, high-tech weapons? It is only in wartime that the armed services entertain the idea of buying weapons that will help American soldiers prevail in battle?

—THE NEW YORK TIMES.

## Other Comment

### A Force Because He Is Black

Jesse Jackson's stunning victory in Michigan has altered the appearance of the American political landscape. His success is a symbol of what a black American can achieve. Self-respect has been his theme, and first of all that theme has been directed to his fellow blacks. It is said that he could not be elected president because he is black, and that for that reason the Democrats will

not nominate him. In fact, he is a contender only because he is black; without the solid base of votes from members of his own race, he would not be a candidate at all. The Democrats' dilemma, after Michigan, is to hold the support of Mr. Jackson's constituency without seeming to spurn the man himself. A stop-Jesse movement among white politicians could all too easily be interpreted as racially motivated.

—THE INDEPENDENT (London).

## INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1988-1992

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER  
Co-Chairmen

LEE W. HUERNER, Publisher

JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ABT, KATHERINE KNORR and CHARLIE MORSE, Deputy Editors • CARL SEWERTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editorial Pages • JAMES R. CRATE, Business Financial Editor • RENÉ BONDY, Deputy Publisher • ALAIN LECOUR, Managing Editor • RICHARD J. MORGAN, Associate Publisher • FRANCIS DESMARIS, General Manager • ROLF D. KRAEPEL, Advertising Sales Director • KOURT HOWELL, Director, Information Systems

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92000 Neuilly-sur-Seine, France. Tel.: (1)46.77.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 630696.  
Directeur de la publication: Walter N. Thayer.  
Editor for Asia: Michael Richardson, 5 Conventry Rd., Singapore 0511. Tel. 472-7768. Telex RS56928.  
Managing Dir. Asia: Michael Glantz, 30 Gloucester Road, Hong Kong. Tel. 25310616. Telex 61170.  
Managing Dir. U.K.: Robin MacKinnon, 63 Long Acre, London WC2E. Tel. 836-8832. Telex 262009.  
Gen. Mgr. W. Germany: W. Lauerbach, Frankfurt: 15, 6000 Frankfurt/M. Tel. (099) 726733. Telex 410721.  
Pres. U.S.: Michael Corry, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 753-3800. Telex 471775.  
S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337.  
© 1988, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

## OPINION



## Beware of Small Wars With a Potential to Grow

By Michael Klare and Peter Kornbluh

WASHINGTON — After the INF agreement and other indications of diminished U.S.-Soviet hostility, it has become fashionable among American strategists and policy makers to emphasize the need for an improved capacity to engage in small regional conflicts.

Characteristic of this trend is the report of the U.S. Commission on Integrated Long-Term Strategy, released in early January. "In the coming decades," the report notes, "the United States will need to be better prepared to deal with conflicts in the Third World." Because such conflicts can arise at any time, "the Pentagon must give preference to more mobile and versatile forces." Similar views have been expressed by other American strategists, including Defense Secretary Frank Carlucci.

Now the trend has begun to emerge as policy. Without waiting to clarify the situation on the ground or obtain congressional support, President Reagan recently rushed 3,000 U.S. "quick reaction" troops to Honduras. The troops included two battalions from the 7th Infantry Division at Fort Ord, California, one of four

light infantry divisions created specifically for fast deployment to Third World conflict zones. Termed an "emergency exercise" by White House officials, the Honduras operation was symptomatic of the interventionist approach that we can expect if low-intensity conflicts become top U.S. military priority in the years ahead.

Much of this seems to suggest that there is some sort of universal law of diminishing global violence—that if the superpowers somehow manage to moderate tensions in the East-West arena, then we must expect a proportionate increase in North-South conflict. "If Mikhail S. Gorbachev and his policies last," military commentators Drew Middleton has written, "it would appear that we face a period in which our armed forces must be prepared to fight all over the world in relatively minor encounters."

Such comment has been well received at the Pentagon, where there is understandable concern that better U.S.-Soviet relations will result in diminished military spending. To demonstrate its responsiveness to the new

focus on low-level conflict, the Pentagon has established the four light infantry divisions and revitalized the Special Forces, and has sought additional amphibious-assault capabilities.

These initiatives have been accompanied by the development of military doctrine for low-intensity conflict, or LIC (pronounced "lick"). The doctrine draws heavily on the counterinsurgency strategy of the early Vietnam War years, but also on lessons learned in Central America, the Falklands, Lebanon and Afghanistan. The earlier strategy addressed counterterrorism operations only, but current LIC doctrine encompasses a much wider range of activities, including "pro-insurgency" (i.e., support for anti-Communist insurgents), counterterrorism, narcotics interdiction and "police" operations of the Grenada type.

This emphasis on low-level combat can seem reassuring. Instead of focusing on doomsday scenarios and unlikely European contingencies, the Pentagon is looking at the common, everyday sorts of conflict that beset the real world. But there is something

very deceptive about all this. The adoption of "contingency" plans for limited U.S. intervention in low-level conflicts can unleash pressures for sudden intervention in local feuds that are best left untouched. What looks at first like a "minor" affair can easily grow into something far more serious.

In the late 1950s, U.S. strategists expressed similar concerns about coping with low-level conflict. In a 1958 report for the Rockefeller Brothers Fund, Henry Kissinger suggested that nuclear retaliation was not an effective deterrent to limited war and that therefore America must "develop units that can intervene rapidly and that are able to make their power felt with discrimination and versatility."

He approved a major expansion of counterinsurgency operations in South Vietnam, thus setting the stage for the great tragedies to follow. The danger is that the current enthusiasm for LIC doctrine will generate a similar propensity for intervention in Third World conflicts. If we use the Pentagon's definition of low-intensity conflict, we find that the United States is now (or has recently been) involved in LIC operations in Afghanistan, Angola, Cambodia, Chad, El Salvador, Grenada, Honduras, Lebanon, Libya, Nicaragua, the Philippines and the Gulf area.

With few exceptions, all these conflicts entail a significant risk of escalation. If U.S.-backed counterinsurgency efforts fail—say, in El Salvador or the Philippines—there would be strong pressure in Washington to defend the incumbent government with U.S. troops, as occurred in Vietnam in 1965. Or if U.S.-backed pro-insurgency campaigns provoke major attacks on countries providing sanctuary for the insurgents—as reportedly occurred this month in Honduras—the United States will almost certainly be forced to respond. Even if the United States remains in the background, it is not hard to imagine how an incremental escalation between the local antagonists could draw U.S. troops into direct military action.

At best, these scenarios would entail direct U.S. involvement in protracted Third World conflicts of the sort encountered in Southeast Asia in the mid-1960s. But the world has changed. The belligerents of the 1990s may be far better equipped than the Viet Cong and their supporters in North Vietnam. Iran, for one, has a potent arsenal of sophisticated weapons, many of them obtained from Western sources through black market channels. What starts out as a "low-intensity" engagement could escalate rapidly.

There are still places where America can conduct low-intensity operations with a limited risk of escalation. But such possibilities are disappearing rapidly as the world arms trade puts sophisticated weapons in the hands of all who seek them.

Mr. Klare is a professor of peace and world security studies at Hampshire College in Amherst, Massachusetts. Mr. Kornbluh is a foreign policy analyst in Washington. Co-editor of "Low-Intensity Warfare: Counterinsurgency, Pro-insurgency and Antiterrorism in the Eighties," they contributed this comment to the Los Angeles Times.

## After Michigan: Democrats in Distress

By David S. Broder

WASHINGTON — The growing dismay in the Democratic Party was captured in contrasting scenes on successive nights last week, the first a kebab-and-beer party in blue-collar Hamtramck, Michigan, and the second a white-tie-and-tails affair in Washington.

Governor Michael S. Dukakis of Massachusetts chose Hamtramck, a Polish-American enclave that reverses the Kennedy's almost as much as it does the pope, as the site of his final rally on the eve of Saturday's Michigan primary. But while his efficient operatives enlisted a dozen local officials to fill the stage, their candidate lured barely 200 voters from the TV sets where Michigan was playing North Carolina in the NCAA basketball tournament. Reporters talking with those who did attend found they knew little about the candidate and cared even less.

Mr. Dukakis finally arrived, accompanied by big-name supporters, among them Detroit's pugacious black mayor, Coleman Young, perhaps the most unpopular political figure in Hamtramck, which is a largely white enclave surrounded by Detroit.

The governor attempted to establish his ethnic links to the crowd by talking about his recent visit to Ellis Island, where his Greek-born parents immigrated, but the response was chilly. He switched quickly to his formula promise of "good jobs with good wages" but said nothing about the abandoned auto plants whose empty hulks dominate and

haunt Hamtramck. Cutting short his speech, Mr. Dukakis retreated to his motorcade and his hotel.

The next night, returns from Michigan showed that Mr. Dukakis had raised by a mile turning out enough white voters to offset the huge black support for Jesse Jackson in Coleman Young's Detroit and in other cities around the state.

Those returns stunned the Democratic governors, congressional leaders and party officials dressed to the nines for the annual dinner of the Gridiron Club in Washington.

While Republicans at the post-dinner receptions chorled at the news of Mr. Jackson's latest win, Democrats asked one another, "What the hell do we do now?" Mr. Jackson, most of them believe, is too controversial to be elected. If nominated, he might be beaten so badly as to jeopardize dozens of other Democrats on the ballot.

Most of these big-shot Democrats would readily embrace Mr. Dukakis as an alternative to Mr. Jackson. But with their black constituents in mind, few can afford to risk joining what could be considered a stop-Jackson movement on behalf of a candidate who ran badly in Illinois and worse in Michigan.

Seeking out Mr. Dukakis's part-time campaign press secretary, Francis O'Brien, and his former campaign manager, John Sasso, who were at the dinner, several top

Democrats passed the word that the governor had to expand his message and improve his campaigning before they could bail him out.

What added to the Democrats' frustration was that they had just heard New York's Governor Mario Cuomo, their party's spokesman of the evening, toss off one of those delightful, engaging and, in the final moments, sentimental speeches that he, like Ronald Reagan, seems to do so easily, a speech that touched the heart and not just the mind.

Mr. Cuomo was on the verge of endorsing Mr. Dukakis before the Michigan vote, but pulled back as he heard reports of Mr. Jackson's evident strength in the state. Now it appears unlikely that he will lead Mr. Dukakis a hand before the New York primary on April 19.

As they talked in the hotel suites Saturday night, the Democrats said that just maybe, if Mr. Dukakis recovered in Connecticut and Wisconsin, Mr. Cuomo still might come to his aid. Or, if Mr. Jackson continued to win the primaries, perhaps Mr. Jackson would not want the nomination, knowing he would be blamed for a loss to George Bush. Perhaps he would instead make a dramatic convention floor speech nominating Mr. Cuomo and asking his delegates to support the New Yorker in the interests of party unity and a November victory.

It is called whistling in the dark. The Democrats are doing a lot of it these days.

The Washington Post.

## In Israel: The Future In Question

By Richard Cohen

JERUSALEM — My old high school friend, taller than I remember him, burst through the door of his hotel. It had been almost 30 years since we last met. Since then, he had wandered far—a dozen years in Asia, then permanent residence here. His commitment to the Jewish state is unquestionable, his determination to remain beyond doubt. He clings to two things: the hope that conditions will improve—and his American passport. When he is out of the hotel, he says, he may need the latter.

My friend is not unique. Another American friend also retains his passport like a security blanket. He has lived here for many years. He, too, has raised a family here. And he retains his passport. Some day, he says, he may have to use it.

The current uprising in the West Bank and Gaza Strip has produced many casualties, the bulk of them Arab. For Israel, maybe the ultimate casualty is the confidence most people had in the future, the sense that the problems of Arab and Jew were solvable. Many people are no longer sure.

There is irony aplenty in the present situation. Israel was supposed to be where the wandering Jew ceased his wandering. A long history of expulsions, a wall of pogroms, massacres, blood libels, ghettos, forced conversions and the culmination of it all in the Holocaust—all that was supposed to end between the Mediterranean and the Jordan River: Israel, where the weary wanderer could rest.

Of course, my friends are not religious. They did not come here out of religious conviction or political compulsion. To the ultra-religious Jew, what God gave the people of Israel no Arab can take away. And many others there is simply no place to go back to. Iraqi Jews cannot—not return to Baghdad, or Iran, or Tehran. As for Jews born here, it is home. They have no choice but to face whatever the future holds. The Mediterranean is at their backs.

Still, for all Israelis the events of the last three months have been a watershed. Once, something like 500 Israeli soldiers held the entire West Bank. Now it takes about 5,000. One has ambled easily through Arab East Jerusalem. Now, at dusk, they walk quickly and nervously. Jewish citizens are reluctant to cross the old Green Line into Arab Jerusalem, and even the career students of the Hebrew University don't want to come into an Arab section of town. New assumptions have replaced the old.

The current dichotomy is "land peace" trading parts of the West Bank and Gaza for a lasting peace with the Palestinians and the surrounding Arab nations. That is a prescription of Simon Pines and is more dovish (and more reasonable) Labor Party. But from the Palestinian point of view, Israel has been able to enjoy both land and peace.

It has not fought a defensive war since 1973, and since 1967 it has had the West Bank and Gaza. Meanwhile the Arab states have one by one their appetite for confrontation. Egypt signed a peace treaty with Israel in 1979, but in 1987, it is doing it again. Another front-line state, it is fighting Iran for its very survival. Only Syria represents a threat to Israel.

The upshot for the Palestinians is that they are mostly on their own. Only they can alter Israel's cake-eat-it situation. Only they can make Israel pay for its occupation of the West Bank and Gaza. Only they can put Israel in a bargaining mood as the status quo unravels. Beginning with the first rock thrown months ago, that is precisely what Palestinians have been doing.

The rocks ask a question: At what cost will Israel keep the West Bank and Gaza? At what cost will it the Palestinian aspirations for a homeland? Will the cost be South Africa-like policies? Israel certainly has fought to crush the Palestinians. The question is whether it has the will, was created, after all, so that it could be free, not to oppress others. To many Israelis, the answer is no. The status quo is the only option—or, the unthinkable: expulsion of Palestinians from the West Bank. To others, like my friend, the immediate solution is clear: The West Bank must be surrendered. They say this because they think there is no other choice—no practical choice, no moral choice. But they also have an admission that they do not know what happens next. Israel is a small country in a vast, empty, people-encumbered by history.

For both sides, the future is grim and frightening. Each side its views with tenacity, and the ones also hold foreign passports. The Washington Post.

## 100, 75 AND 50 YEARS AGO

### 1888: Chinese Excluded

NEW YORK — The proposed Chinese Treaty provides for the total exclusion of all Chinese laborers from the United States, except those who, having lived previously in the country, wish to return after a year's absence. It is made compulsory on such that they must prove to the satisfaction of the authorities that they have relatives in the United States, or that they possess earned property there to the value of \$1,000.

### 1913: Ohio River Floods

NEW YORK — Famine and pestilence are carrying on the work of destruction in the flood-stricken states of Ohio and Indiana, and adding to the terribly low death-roll. While the floods are receding in Ohio and Indiana, they are rising in West Virginia, Pennsylvania, New York, Kentucky and Illinois, in the valley of the Ohio river, bringing death and destruction in their wake.

### 1938: Austrian Cautious

PARIS — [The Herald says] attitude adopted by the Catholic hierarchy in Austria regarding April 10 plebiscite comes as a surprise. The bishops' circular, and all Austrian churches (on March 10) went far beyond the measure of loyalty and obedience to the state which every Catholic pastor is held to. It called upon Catholics to resist not only to accept the German Nazi regime, but to recognize and reserve the good that this regime does. "We gladly recognize," the bishops declared, "that the National Socialist movement has brought about a new era in the history of the German people. We are convinced that it is a destructive and destructive force in the history of the National Socialist movement."



## OPINION

## Why It Isn't Time to Help The Nice Man in Moscow

By William Safire

SAN FRANCISCO — On April 15, 1986, when U.S. bombers gave a permanent headache to Libya's Moammar Gadhafi, Bill Casey brought a group of non-CIA economists in to see the president. As bombs fell on Tripoli, statistics about the Soviet economy rang on Ronald Reagan.

"What does all this mean?" he asked as the hourlong presentation ended.

It meant, the outside consultants explained, that the conventional wisdom about the Soviet Union's strength was wrong. Instead of steadily growing, production had been stagnant for years.

This meant further that the new leader, Mikhail Gorbachev, would soon be faced with an internal crisis. He would have to shut up the economic system radically, to force new growth, or accept a reduction in what was becoming an unsustainable level of military spending. Soviet economic weakness could profoundly affect arms talks and the maintenance of the empire from Afghanistan to Cuba.

The president wanted to know what the effect of this new interpretation would be on his policy planners.

"They'll say, 'Help this nice man,'" implied one of the economists. Mr. Reagan nodded. "I know the Genscher line." He was referring to the Ostpolitik writings of West German Foreign Minister Hans-Dietrich Genscher, who is eager to finance the revival of Moscow's trade.

That was just two years ago, when Mr. Reagan presided over an administration split between Defense-CIA-NSC hard-

liners and the accommodationists at State. Then, a year ago, an iconoclast among Soviet academicians, Grigori Khanin, was permitted to publish in *Novy Mir* a refutation of all past Soviet figures, exposing the use of hidden inflation — "figure-padding and price manipulation" — in estimating growth rates. CIA analysts gulped; their own estimates for 1986 were closely in line with the earlier, officially rosy Soviet figures, which were in the process of being discredited.

A couple of weeks ago, as reported in this space (IHT, Feb. 26), Mr. Gorbachev put his stamp on the gloomy Khanin account in a speech to the Central Committee. If the Russian leader can be believed, the Soviet economy is about one-fourth smaller today than Soviet statisticians — and U.S. intelligence analysts — have led U.S. defense planners to believe.

Last week, at the Hoover Institution in Palo Alto, the best-of-the-West analysts of the Soviet economy held a friendly intellectual shoot-out.

Henry Rowen, a Stanford University professor and former Rand Corporation president who ran studies for the CIA a few years ago, was the organizer. Charles Wolf of Rand, co-editor with Mr. Rowen of "The Future of the Soviet Empire," coming out next month, presented a paper that shows, among other things, how China is likely to outproduce the Soviet Union soon after the year 2000. Richard Ericson of Columbia University's Harriman Institute was, I am told, a star performer, along with a Swedish economist



I want to take to lunch. The agency had its team, headed by economist Derek Swain, in the thick of the argument.

"Team B," as the new-estimate types will inevitably be called, holds that Soviet income is \$3,000 per capita; that means that the Soviet Union would be producing roughly one-fourth as much as America. The old CIA academic consensus is said to put Soviet output at one-half America's; that is about as much as economists can disagree about anything.

Another schism: The old consensus that says the proportion of GNP that the

Russians spend on defense, plus underground facilities and the "cost of empire," is still less than 20 percent; the Team B estimate ranges from 25 up to 35 percent of all production. (U.S. spending on the same breadth of items is only 7 percent.) The first estimate would put Mr. Gorbachev in some difficulty at the summit meeting; the last estimate would take him to the brink of desperation for a deal.

As Mr. Reagan would ask, What does this mean? It means the West should not be in such a hurry to help this nice man. Unfortunately, the "Genscher line"

has taken hold in the Reagan administration; all the hard-liners have been ousted. Secretary of State George Shultz has just agreed to link START to "star wars," a huge concession. Although both superpowers have sold the world's media on the seeming impossibility of a START treaty at the summit, the fix is in for a rush to sign in Moscow.

The Russians are exploiting Mr. Reagan's yearning for a blaze of glory. The West is failing to exploit the urgency of the Russians' need to catch their breath.

The New York Times

## When Will a Public Figure Repent as if He Meant It?

By Amitai Etzioni

CAMBRIDGE, Massachusetts — Will no American ever again own up to his transgressions and take the punishment like a person of character, setting a much needed example? If you rummage through recent history, you are hard-pressed to think of anyone who has.

My hopes were riding high on Robert C. McFarlane, the former national security adviser. He openly admitted that he

## MEANWHILE

had deceived Congress, covering up key elements of the Iran-contra affair and the arms-for-hostages deals. He appropriately and extensively expressed deep regret and remorse: "I could have prevented this, and it's all my fault." He even asked to be punished.

"There, you see," I said to my class, "that's the way to conduct oneself." No body can lead a blame-free life. But if we do violate the law or ethical standards, we still have an opportunity to straighten things out and avoid further harm. We must acknowledge our wrongs, make amends to those we injured and to the community whose legal or moral precepts we undermined. We repent by seeking to restore the legitimacy of the code that was broken, paying homage to what is right, even if we had flouted it or were too feeble to live up to it.

The failure to repent is what made a double loser of President Reagan's former political director, Lyn Nofziger. First he violated the law by using his White House contacts for influence-peddling during the short period in which such acts by former high government officials are prohibited. Then, when convicted, he trivialized the court's finding ("like violating a stop sign," he said) and attacked the law as "lousy" and "stupid."

Gary Hart compounded his troubles by lying about his original indiscretion and then trying to defend it. He would have done better if he had simply confessed when caught, and moved on. Oliver North, there is no denying, cuts an appealing figure: the take-charge, can-do marine; no depressed, monotone, Hamlet-like McFarlane here. But Colonel North appeared to go further than others, implying that his disregard for the laws of the land was justified as a matter of principle, of national security.

When I expressed dismay over Colonel North's lack of contrition, a colleague tried to bang the failing on Martin Luther King and other advocates of civil disobedience. One is entitled to rebel, to heed one's conscience, to live up to higher principles, I was reminded.

However, King and the others openly challenged laws they declared to be unjust. They fought to change those laws before they turned to civil disobedience. And then they took their lumps, accepting jail, refusing bail.

Colonel North did nothing of the sort. He claimed the right to disobey only

after he was caught. And he reportedly sought to hinder justice, refusing to provide samples of his handwriting, instructing Swiss banks not to release documents — this when he was not busy shredding potential evidence. No hero of civil disobedience here.

Sadly, even Mr. McFarlane's guilty plea was no act of contrition. He said he agreed to plead guilty to four misdemeanors only because a long and costly trial would have rendered his ultimate victory a hollow one. No, Mr. McFarlane won't stand up as a model of repentance.

Might the Reverend Jimmy Swaggart serve? He did not stonewall or lie or depict himself as crucified by the press. He confessed his wrongdoing and eloquently paid homage to the precepts he flouted. He did not make excuses, such as being swept away by alcoholism (as Michael Deaver did), or blame some other demon. He declared that his fall from grace was due to "no one but myself." He certainly did not try to argue post hoc that his transgression was acceptable.

All this would have been so much more commendable if it had not been reliably reported that Mr. Swaggart did so only with a "gun" pointed at his head. Before he agreed to confess and to repent, he is reported to have offered a defrocked minister, Marvin Gorman, to be reinstated and appear on his television show if Mr. Gorman would suppress photos showing Mr. Swaggart in the company of a prostitute. Only when Mr. Gorman turned over the pictures to the leaders of the National Assemblies of God did Mr. Swaggart come forward, thus making an imperfect example for the rest of us.

Another imperfect example is John Dean, who admitted Watergate wrongdoing only as he was being prosecuted.

These incidents of great reluctance to repent reflect the weakness of current moral precepts and further contribute to their erosion. It may well be naive to ask for a moral resurgence, but could we have at least one politician, public official, preacher, etc., who has fallen from grace come forward and stand upright? If nothing else, the nation requires an example to show the many others how to conduct themselves. And it would be a fine start on the road to ethical rebuilding.

The writer, visiting professor at Harvard Business School, is author of a forthcoming book that delineates what he says is a different moral foundation for the social sciences. He contributed this comment to *The New York Times*.

Letters intended for publication should be addressed "Letters to the Editor," and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

## LETTERS TO THE EDITOR

## Shultz: A Different Case

Secretary of State George Shultz's remarkable opinion column "The Case for America's Mideast Peace Plan" (March 29) deserves tribute and respect. It is comforting to read a high-level statement that differs substantially from the most daily articles written excitedly by journalists who sometimes show little knowledge of the roots of the problem. Mr. Shultz's message concludes: "The time for decisions is now." I agree, and would add: Give Israel a chance.

GIACOMO FRANCO, Brussels.

## Waldheim's Conscience

For the chairman of the Royal Jordanian Airline to equate what has been going on in the West Bank and Gaza to the conduct of Kurt Waldheim during the Holocaust (Letters, March 9) violates the crudest criteria for objectivity. The Jews who were tortured and perished under Hitler did not throw rocks, Molotov cocktails and grenades at the Nazis. Their only "crime" was that they were Jewish. Even the horrific Spanish Civil War gave its victims a choice.

The most charitable assessment of Mr. Waldheim's conduct is that he was a passive participant in the most heinous crime in history. It is indisputable that he committed egregious lies in trying to cover up his guilt. That fact should confirm his guilt feelings.

HERBERT BARCROFT, New York.

## Who's an Anti-Semite?

I found the British Jewish leaders' protest against the award of the 1988 Templeton religious prize to the Pakistani scholar Inamullah Khan (People, March 22) in bad taste, at a time when Israeli leaders espouse views of the Palestinian problem that smack of anti-Semitism.

MURRAY J. CORASHY, Athens.

## More Than Party at Stake

"This isn't tiddleywinks," we are informed by Governor John R. McKernan Jr. of Maine ("Braving Race Is Worring Republicans," March 7). "We're talking about the future of our party."

No, we're not. We're talking about the future of America, of the Western world,

ance, of East-West relations, of Latin America and the Third World. We are talking about the globe, about leadership, about vision, about generations yet unborn or never to be born.

David Broder, in "Super Tuesday: The Public Has Rewarded Experience" (Opinion, March 10), informs us that George Bush's primary victories reflect a vote for "experience." What experience? Holding his tongue while Ronald Reagan steps on his? Ineffectually registering "reservations" (if that is what he did) about the Iran-contra affair? Providing over a CIA whose history seems to be only tenuously related to traditional American ideals and ethics?

STEVEN BACH, Munich.

In response to "As Bush Wins Delegates, His Poll Figures Decline" (March 11):

I hope George F. Will errs when he quotes Vice President George Bush as having said, while "touring" Auschwitz: "Boy, they sure were big on crematoriums, weren't they?" Exhausted candidates on campaign trails say thoughtless things, but such an incredibly astute statement could not be forgiven from a man aspiring to the presidency.

If I can confirm that he did say it, there will be four fewer Republican votes in my family — and even fewer after apprise my friends.

GUNTHER O. STIENEKE, Praia do Carvoeiro, Portugal.

## No Stone Unspurned

Regarding the feature "The Trials of Socrates and I. F. Stone" (March 16): Mr. Stone's "The Trial of Socrates" has been widely publicized and rated a best seller. It is too bad that reviewers for newspapers and newsmagazines are not more knowledgeable about the subject.

Mr. Stone has tried to pull the experts' teeth by billing himself as the maverick outsider who can beat the academics at their own game. In fact he is only the latest in a long line of revisionists about Socrates. Learning Greek does not ensure wisdom in interpretation, and Mr. Stone is unforgivably naive. Even worse, his view of democracy seems little more than a vague, romantic populism. His book deflates much of the legend of I. F. Stone as a political and social thinker.

JAMES C. HADEN, American School of Classical Studies, Athens.

While we the faithful have been contemplating our navels, an autodidact authority on things Greek has been making a killing in the antiquarian bookshops. In this Stone Age of scholarship, when fame without shame is the fashion, Mr. Stone tells us that "the first translation ever made of Plato... was made in the Renaissance by a Florentine mystic," Cicero, Chalcidius and all authors of partial translations of Plato before Ficino, eat your hearts out! Perhaps "Socrates needed the hemlock as Jesus needed the Crucifixion," but Mr. Stone needs a basic course in Western civilization.

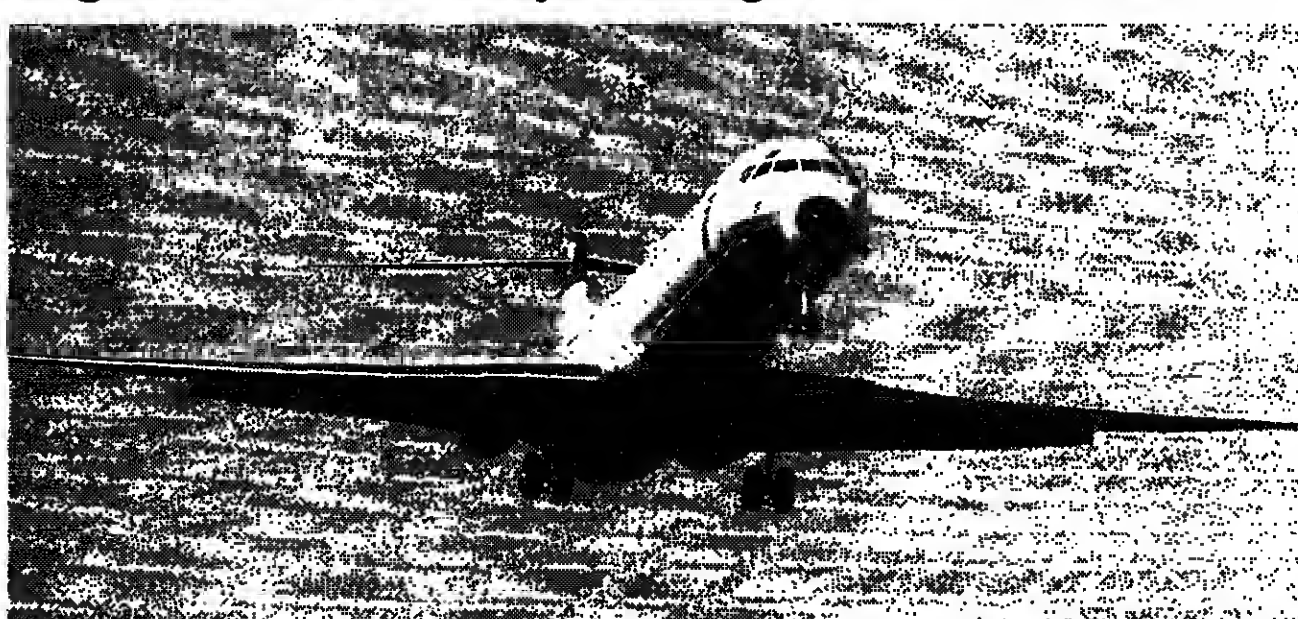
ALBAN URBANAS, Lugano, Switzerland.

In 1952, while Korea was still being laid waste, it was clear to I. F. Stone, as Jim Naughton writes, that "the United States and South Korea might have... precipitated the North Korean attack that began the war." Now the Reagan administration is pulling out of its grubby Central American bag the same trick. What a triumph for Mr. Stone if a world grown wiser were to growl at that gang of tricksters, "No, not this time."

DAVID DORRANCE, Paris.

## FRIENDLY FROM A TO Z.

## High Flier. 1. Aircraft taking off. 2. Businessman



enjoying the benefits of the new Austrian Business Class. 3. Austrian Business Class - assures you of sky-high standards. Leg-room up to 35 inches/89 cm. 30 kg free baggage allowance. Friendly and attentive in-flight service. In essence → an outstanding Business Class.



There's still no place like it. Call home.

No matter where your business takes you, don't let it take you away from family and friends. Just pick up the phone. And feel the warmth of home. Reach out and touch someone.



The right choice.

AUSTRIAN AIRLINES

THE FRIENDLY WAY TO FLY.



## In a Year of Crisis, Mahathir Tightens His Grip on Malaysia

By Keith B. Richburg  
Washington Post Service

KUALA LUMPUR, Malaysia — To the surprise of many analysts, Prime Minister Mahathir bin Mohamad of Malaysia has solidified his grasp on power, despite a year of unprecedented political turmoil, including leadership challenges, corruption scandals and mounting racial tension.

The bespectacled, abrasive former physician now controls virtually every aspect of the country's political life, observers say. He is said to use the government-controlled media as his personal propaganda machine. He is said to use legal maneuvers to purge his rivals from the newly reconstituted ruling party. Earlier this month, he used his unchallenged majority in parliament to push through new laws that legal analysts fear will strip the British-style judiciary of its independence.

"The government is stronger than it's ever been before," said a Western diplomat. "But it's also more unpopular than it's ever been before."

Some analysts said Mr. Mahathir's unpopularity is rooted in his authoritarian and combative style, his heavy-handed way of crushing opponents and his often blunt language — such as calling his political party "traitors." It is a style that many find abrasive in a society that has traditionally solved disputes by consensus and has tried to keep in-house squabbles behind closed doors.

"Mahathir has broken all the conventions," said a respected Malaysian journalist.

Others said Mr. Mahathir is not really a bad fellow, that he is, to use the prime minister's own constant refrain, "misunderstood."

"He is probably one of the most misunderstood leaders in the world," said a diplomat from a neighboring Asian country. "And his public relations are terrible." The diplomat and others mentioned the arrests in October of more than 100 people under

Malaysia's broad-gauged Internal Security Act as a case in point.

Malaysian and foreign analysts said Mr. Mahathir was forced to make the arrests after racial tension between Malays and ethnic Chinese had reached a boiling point. Some embassy officials and private lawyers said tension was so high in the days before the arrests that many of their employees refused to come to work, fearing a recurrence of the violent race riots of 1969.

"The population as a whole really approved of the arrests," said a Western diplomat. "It reinforced stability so they could go to work, take their kids to school. They had this nightmare, this trauma, of 1969 — people still remember seeing dead bodies in the river."

The arrests were criticized by human rights groups, editorialists in the foreign press and by Mr. Mahathir's opponents, who said it was further evidence of his authoritarian tendencies.

Mr. Mahathir, in an interview published in the January issue of Malay Business magazine, brushed aside criticism of the arrests in his typically blunt manner. "I tried to be liberal," he said. "It was not appreciated. People talked about the prime minister being weak. You know, you can't be nice to some people."

Asked by the interviewers about what his critics call his confrontational style, Mr. Mahathir promptly confronted his questioners:

"How can you say that I have a confrontational style," he said, "when I have given places to those who have lost, to those who have gone against me?" He said that political scientists "look for evidence that I'm confrontational. When you approach it in that manner, of course you're going to find I'm confrontational. Along those lines then, everybody's confrontational."

The biggest political crisis for Mr. Mahathir was a challenge last April by a rival, former trade minister

Tunku Razaleigh Hamzah, for the presidency of the ruling United Malays National Organization, and, by extension, the office of prime minister.

Mr. Mahathir survived the party election by 43 votes, but the losing Razaleigh faction set out to have the elections overturned in court.

The eventual court ruling on the election, handed down on Feb. 4, was that the ruling party had violated a controversial provision of the law and thus declared it an illegal institution.

Mr. Mahathir, temporarily on the political defensive, quickly announced that he would remain as prime minister even without a party, and he persuaded

his supporters in parliament to take a televised "loyalty oath" to him as the head of government.

Then he received permission to form a new party, UMNO Baru, or New UMNO, and he announced that at least two dozen members of the former party, whom he described as "traitors," would not be invited to apply for membership. A joke that made the rounds in political circles said the new UMNO was an acronym for "Under Mahathir, No Opposition."

"I think it was a brilliant maneuver by Mahathir personally and his legal advisers," a Western diplomat said. "He's now in a position to purge the party completely, from Razaleigh down to the lowest clerk. He can now make a more cohesive party."

## South African Commandos Kill 4 During Attack in Botswana Capital

By William Claiborne  
Washington Post Service

JOHANNESBURG — South African Army commandos crossed into neighboring Botswana early Monday and shot to death four people in a suburban house in the capital of Gaborone, the military command in Pretoria said.

It was the biggest South African cross-border attack since April 25, when commandos raided Livingstone, Zambia, killing four persons alleged to be African National Congress guerrillas.

Authorities in Botswana said the attackers doused the bodies of a man and three women with gasoline and burned them beyond recognition before setting the house ablaze. Gaborone is about 10 kilometers (six miles) west of the South African border.

A South African military spokesman said the victims were ANC "terrorists" using Botswana as a transit route for infiltrating across the border.

However, the office of President Quett Masire of Botswana said two of the three women were Botswana nationals and that the man was a South African "refugee." Authorities said they were trying to determine the nationality of the third woman.

Mr. Masire condemned "this dastardly attack and murder of innocent people in Botswana by the

South African Army," and said Pretoria's problems could not be solved by attacking neighboring countries.

Botswana, which gained independence from Britain in 1966, supports the ANC's goals and allows its representatives to stay in the country but denies that they carry out attacks in South Africa from inside Botswana.

The ANC, outlawed in South Africa since 1960, is the main guerrilla force battling white minority rule in South Africa. It has acknowledged responsibility for bombings and rocket and gunfire attacks that have killed hundreds of people in South Africa.

The South African Army headquarters said the raid was a "follow-up" to a clash Friday on the Botswana border in which three suspected ANC guerrillas were killed.

A military spokesman, Major Riaan Louw, would not comment on the reported burning of the victims in Gaborone.

Botswana's deputy police commissioner, Norman Molebogo, was quoted by the official Botswana news agency BOPA as saying the four victims had been shot, soaked with gasoline and burned in an apparent attempt to make them unidentifiable. He said the house was gutted by fire during the 1 A.M. raid.



**BIG HAND FOR THE PRIME MINISTER** — Japan's prime minister, Noboru Takeshita, shaking hands Monday with Ohtsuka, a sumo champion, during a party to honor sports figures at Mr. Takeshita's official residence in Tokyo.

## News Media Operating Under Restrictions

New York Times Service

BANGKOK — Malaysia's largest English-language newspaper, The Star, has resumed publication after a five-month ban.

But its leading columnist, Malaysia's first prime minister, Tunku Abdul Rahman, cautioned that because of restrictions on publishing, "readers will not get the message from me in my column as frankly as I would have liked." All newspapers are licensed by the Malaysian government, which has almost total control over the news media.

The Star and its associated paper, The Sunday Star, were closed

by government order in October, along with a Chinese-language daily paper and a weekly Malay paper. At the time, the government of Prime Minister Mahathir bin Mohamad also arrested 106 political opponents and members of public-interest groups. The detainees were accused of provoking racial tensions.

Thirty-eight people remain in detention without charge or trial, including the leader of the opposition Democratic Action Party, Lim Kiat Siang, and his deputy, Karpal Singh. The party rejects the government accusations but has almost no

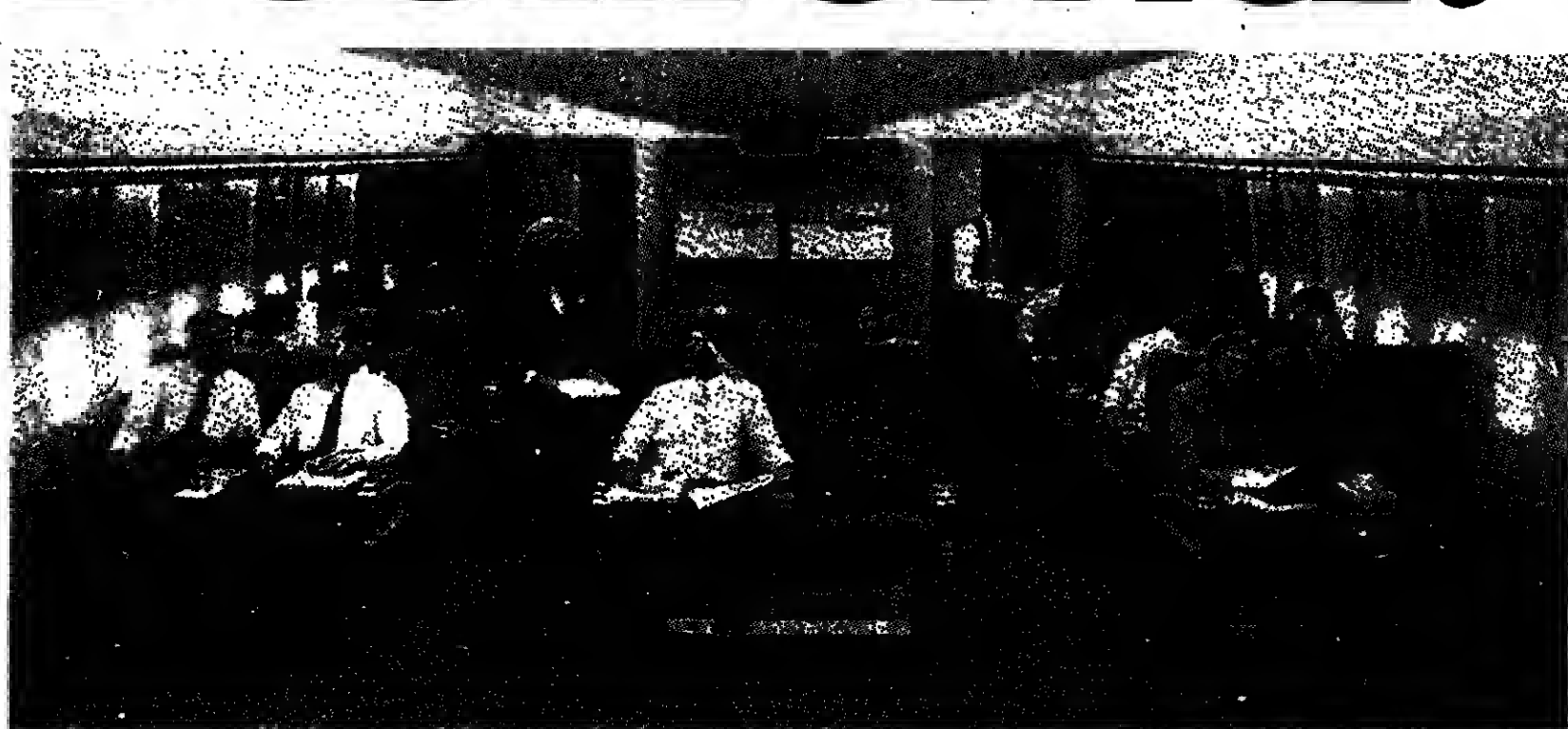
legal recourse under the Internal Security Act.

Spokesmen for the Chinese paper, Sin Chew Jit Poh, and the Malay periodical, Watan, said they hoped to resume publication soon.

The Star and the Sunday Star are owned by the Malaysian Chinese Association, a component of the prime minister's governing coalition, the National Front.

Ethnic Chinese make up 37 percent of the Malaysian population. Malays make up about 48 percent and ethnic South Asians and the indigenous people of Borneo account for the rest.

# HAVEN'T YOU EARNED A BIGGER OFFICE?



## PAN AM OFFERS THE ROOMIER, MORE COMFORTABLE BUSINESS CLASS.

### DON'T YOU DESERVE MORE SPACE?

Of course you do. And that's just what you get in Pan Am's Clipper® Class across the Atlantic. We have six across seating, not eight like on some other airlines. And our seats are wider, giving you more room to spread out and work or to stretch out and relax. So you'll arrive at your destination rested and ready to do business.

### AREN'T YOU ENTITLED TO A NEW INTERIOR?

We think so. That's why we're installing brighter lighting, and bigger storage bins for more carry-on space. And special decorator touches, like handsome new tweed seat cloth, make for an altogether better business environment.

### AREN'T YOU WORTH EXTRAS LIKE A PRIVATE TERMINAL?

Absolutely. Our Private Terminal at Kennedy Airport in New York was meant for your exclusive use. Securely away from the bustling crowds, you'll enjoy the convenience of personalized service that sees to your every need.

### AND COME TO THINK OF IT, HOW ABOUT FREE LIMOUSINE SERVICE?

When business calls you into New York, our complimentary limousine answers with service from Kennedy right to the heart of midtown Manhattan. All this on Pan Am's Clipper Class. Service from over 30 cities in Europe to over 30 cities in the U.S. Plus extras that put our business class in a class by itself. Who deserves it more than you?

For reservations and information call your Travel Agent or Pan Am.



**EXPECT MORE FROM PAN AM'S CLIPPER CLASS**

By John D. Battersby  
New York Times Service

JOHANNESBURG — Ivan Toms, a 35-year-old physician, chose to go to jail for 21 months rather than continue serving as a reserve lieutenant in the South African Defense Force.

"I believe South Africa is in a civil war now, and in that situation, you have got to take sides," Mr. Toms said before a South African court on March 3 convicted him of avoiding military service.

"My experiences during my two years in the army as a lieutenant showed me that even as a doctor I was part of that system of oppression," Mr. Toms said.

Although one of only a small band of conscientious objectors prepared to risk jail for their beliefs, Mr. Toms has become a symbol of a growing resistance to compulsory military service among young white South Africans.

Some young whites are evading the draft by dodging the military authorities, leaving South Africa or refusing to serve in combatant assignments. And an organization called the End Conscription Campaign has worked for four years to counsel draft-resisters to the irritation of the government.

The issue of draft resisters is so sensitive that the defense minister, General Magnus Malan, has since 1985 refused to provide statistics in Parliament on the number of white conscripts who fail to report for service.

Only young men from among the

country's five million whites are called up for compulsory service. They account for about 65,000 of the armed forces' 107,000 regulars and for all of its 317,000 reservists.

Such conscripts must serve two years of continuous active duty, followed by a total of two more years in military camps over the next 12 years.

Black and mixed-race South Africans are not subject to compulsory service, though some join as volunteers for the employment.

Only a narrowly defined category of religious objectors are allowed the option of serving in nonmilitary roles or doing community service. Political or moral objectors who refuse to serve face at least six years in prison if they are new conscripts, or one and a half times their unfinished service if they have completed part of their training.

The extent of draft-dodging is difficult to determine. But it is believed to include at least several thousand young men since the beginning of the 1980s and has increased during periods of civil unrest.

The total of those resisting would be much higher if it included thousands of South Africans who have emigrated rather than have their sons face the draft.

"I am not prepared to make a martyr of my 15-year-old son," said Peter Nixon, a 44-year-old school principal who has decided to emigrate to Australia.

The majority of conscripts serve in the army, which usually means

either taking part in the war in Angola, in which South Africans have sided with anti-government rebels, or suppressing unrest in the black townships at home.

Recent studies conducted by psychologists have found that service in the townships has had a most traumatic effect on white conscripts.

Thomas Louw, 18, said that a night on patrol in Tembisa, a black township near Johannesburg, looked out the back of his arm car and wondered why he was there.

"I just freaked out after that cause from my point of view, we were doing more harm than good," Mr. Louw said.

Another draftee from Cape Town, who asked not to be identified because he planned to evade further call-ups, had a similar reaction to township patrol.

"When it comes to little kids, hard to tell yourself that an 8-year-old with a stone in his hand is a ruthless killer and an enemy of all," he said. "I can't accept it. I am just a child. What do I know about the situation they involved in?"

The End Conscription Campaign was formed in 1983 to work for an end to the draft and to provide support to conscientious objectors.

It has offices in 10 metropolitan centers and has been endorsed by more than 50 other organizations generally involved in opposition to apartheid.

## Living Abroad

### Finding That Best Seller You Covet

By Sherry Buchanan  
International Herald Tribune

You can't live without that sexy new best seller? Worried you won't really enjoy that trip to Czechoslovakia without the newest guidebook? Concerned that you can't cast an absentee ballot intelligently unless you've read the latest exposé of capital politics? Have no fear. Though expatriates can't always find what they want at the bookshop just around the corner in Saint Wenceslas-on-the-Sea, a growing number of specialists, including mail-order services, can help track down the book you absolutely must have.

"Most major cities in Western Europe and Asia have excellent bookstores, which can always help somebody out," said David Kotick, who directs international sales for the Bantam, Doubleday, Dell Publishing Group in New York. "But there is always a bit of a marked-up price, and of course there is the question of availability of the book."

Some resourceful readers use 24-hour telephone hot lines set up by international booksellers in Britain and the United States. They advertise in newspaper and literary magazines and promise to provide any title that is in print, at the British or American price, plus postage. Credit cards are accepted.

Because these services specialize in an international clientele, orders from faraway lands only rarely go astray.

"When we lived in Tanzania, we were getting 10-year-old cast-offs,"

said Peter Braithwaite, now an editor of the Good Book Guide (91 Great Russell Street, London WC1), which has 25,000 subscribers in 171 countries. He and his wife, Patricia, started the guide

only when you get there that you realize you are stuck."

Subscribers can select surfa mail or air mail delivery. For some countries, the Good Book Guide offers what it calls an "air-speed" service, which is faster than surface mail but cheaper than air mail. From Britain, for example, sending a book to Kenya by surfa mail costs about 10 percent of the book price, 70 percent of the price by air mail and 35 percent of the price by air-speeded mail.

Readers sometimes can save money, however, by purchasing books directly from the publisher and paying the postage.

Recently, especially because the weak dollar, it is still occasionally cheaper to buy the books directly from the United States and pay the airmail postage," said P. Dewitt, manager of Book Call, 1 Elm Street, New Canaan, Conn. (401) 261-1111, which sells U.S. titles by mail in 40 countries, at a 50 percent discount.

A satisfied customer is El Stücken, of Schwäbisch-Hall, West Germany. "By ordering books from the Good Book Guide, I'm saving time and money," he said. "I pay half the price of the same book in Germany. The prices are extortionate for English language books. And I would have the same breadth of choice in Germany."

### Greek Gas Stations Closed

Agence France Press

ATHENS — Seven thousand Greek gasoline station owners are on strike for five days starting Monday night, a spokesman for the union said Monday. They are demanding to retain as profit 8 percent of the value of the gas they sell, up from 4.8 percent currently.

### AUTHORS WANTED BY N.Y. PUBLISHER

Leading literary publisher seeks manuscripts of all types, fiction, non-fiction, poetry, juvenile, scholarly and religious works, etc. New authors welcomed. Send for free booklet HJ. Yorkbooks Press, 316 W. 34th St., New York, N.Y. 10001, U.S.A.



## ARTS / LEISURE

## Heirloom Furniture: Classics Made in Java

By Barbara Crossette

**K**LATEN, Indonesia—In Central Java, almost halfway around the world from the stately homes of England, Eastern and Western traditions are combining to re-create furniture classics of 18th-century Europe and early America.

Here in the workshops of the Puspa cooperative, barefoot men clad in shorts, inheritors of an extraordinary Javanese woodcarving tradition, reproduce in solid mahogany the designs of Chippendale, Sheraton, Hepplewhite, Adam and other British and American furniture makers.

"Nobody has made furniture like this for a couple of hundred years," said Jim Tenbrink, a native of Cincinnati, Ohio.

Tenbrink, who works for the National Cooperative Business Association of the United States, was instrumental in starting the workshop in 1986 in a corner of a livestock feed mill, another project the association helped to establish.

Most of the furniture—canopy beds with cornucopia posts, break-front cupboards, pedestal tables and signature chairs—goes to the United States. Some pieces will be labeled "Made in England," others, "Made in U.S.A." But that description will cover only the final finishing. A number of the pieces, including a reproduction of an 18th-century Philadelphia break-front with secretary inset that is expected to sell at retail for about \$20,000, will be shown at the furniture trade show in High Point, North Carolina, in April.

"Almost all these pieces will end up in design centers or as collectors' items," Tenbrink said.

Craftsmen construct the furniture with handmade joints, not glue or dowels. Under the guidance of one Dutch and two British cabinetmakers, the Indonesians work with English jigs, or patterns. No plywood or inferior timber is used, even on the bottoms or backs of drawers. Table pedestals and draw-



er corners are dovetailed. Brass accessories come from craftsmen in another Javanese town.

"Not many people in America ever see solid-timber furniture like this," Tenbrink said. "People buying these pieces are going to spend \$1,000 for a dining-room chair. But it will last, and be passed on to their

children and their children's children."

When Indonesia was a colony of the Netherlands, from the 17th century until the end of World War II, Dutch administrators in Central Java planted Swietenia mahogany trees along the roadsides and in forests. The mahogany, found at the time in Cuba and Honduras, was also transported to Europe for use by furniture makers of the 18th and 19th centuries.

The trees, now rare in most parts of the world, are still relatively abundant here, enabling the Indonesians to marry the original wood and original designs.

The National Cooperative Business Association, a Washington trade association, was hired by the United States Agency for International Development to help create job opportunities for the farmers of Central Java. Because the people of the area were experienced in carving, a furniture workshop was set up.

The association, formerly called the Cooperative League of the United States, is a 72-year-old organization that helped start CARE, the relief agency.

The Indonesian government, looking for employment-generating, export-income industries, acquired a failing furniture company in Jakarta and asked the association to operate the company. It was restructured and moved to Central Java, where the trees and the woodcarvers were waiting. Now as a private business in an Indonesian cooperative setting, the furniture workshop employs 250 craftsmen, who copy about 150 classic designs. Tenbrink, who oversees the project, is paid by the association with funds from the aid agency.



A Javanese woodcarver in his workshop in Klaten, Indonesia; (left) a hand-carved four-poster bed frame nears completion.

## Mehta's Year at Knopf

By Edwin McDowell

New York Times Service

**N**EW YORK — Sonny Mehta visited the United States often while he was running Pan Books in London. But during his first few months running Alfred A. Knopf he had to contend with culture shock, separation from his family and the language barrier—not the British-American language barrier that so amused Mark Twain, but the one that distinguishes hardcover book publishers (Knopf) from paperback publishers (Pan).

A year later, though, Mehta, a 45-year-old citizen of India, feels at home both in the United States and as a hardcover publisher. Knopf is a special kind of home—a veritable glass house—because it is one of the most distinguished of all book publishers.

Thus Mehta, Knopf's informal, bearded president and editor in chief, has been scrutinized unusually closely as the successor to Robert A. Gottlieb who, until he became editor of The New Yorker, was widely credited with having maintained high standards at Knopf for 19 years. (Knopf and The New Yorker are owned by the Newhouse family, and Gottlieb will continue to edit some of his authors for Knopf.)

Mehta watchers say his first-year



Mehta: Risks are attractive.

scorecard is impressive. While maintaining Knopf's tradition of quality, they say, he is publishing more aggressively than his predecessor. He has introduced a more collegial atmosphere to the house and he has hired several editors who should make Knopf even more formidable.

They include Elisabeth Sifton, who had her own imprint at Viking and had been courted by Random House, Knopf's big brother in Random House Inc. Another is Harry Ford, the longtime poetry editor at Atheneum Publishers. Thus, Mehta

acquired not only their own considerable talents but also a number of new authors and poets.

Mehta also lured Jane Amsterdam, founding editor of Manhattan, Inc. and Marjorie Asher, who had headed the Quality Paperback Book Club, to be editor in chief of Vintage Books, Random House's 34-year-old trade paperback imprint.

Unlike Gottlieb, who was essentially a one-man band, Mehta has sought to involve Knopf editors and officials. "He has brought a real shared spirit," said Jane Friedman, senior vice president, who has been at Knopf for 20 years.

There are some complaints that Mehta, the Cambridge-educated son of a diplomat, does not return telephone calls, takes a long time to make decisions and has a remoteness that makes him appear to tune out even during face-to-face meetings. But Friedman said Mehta was slow only in comparison with Gottlieb, and partly because of his efforts to forge a consensus.

Primarily a publisher rather than an editor, Mehta has nonetheless personally signed up 32 books, including biographies, novels and books about Broadway, Hawaii and India. While he has had little time for editing, he said, he is now editing V.S. Naipaul's book about his travels in the U.S. South.

Knopf has had its share of best sellers, including three on the current hardcover lists. But people in the industry say Mehta is ordering larger first printings than Gottlieb did; several Knopf books—including those by David Brinkley, Anne Tyler and Gabriel Garcia Márquez—have scheduled first printings of 100,000 to 200,000.

Outsiders attribute this aggressiveness to a combination of Mehta's paperback experience—Pan is the largest paperback publisher in Britain—and his awareness that in recent years many hard covers have sold in numbers usually associated with paperbacks.

Behind a cloud of cigarette smoke in his 21st-floor office, Mehta, whose full name is Ajai Singh Mehta, considered that possibility.

"Yes, there is something attractive about taking risks," he said. "I think I'm more marketing- and sales-oriented than others, and the notion of selling books continues to interest me. Just because we're Knopf doesn't mean we shouldn't sell books as well as any other publisher in the land."

But Mehta plans no radical changes for this most traditional of houses. "I still want to publish the best books in every area," he said. "I want to remain the classic publisher in town."

## 'Nixon in China'—Opera of the Future

By Joseph McLellan

Washington Post Service

**W**ASHINGTON—Those who like "Doonesbury" and/or the music of Philip Glass should love "Nixon in China."

And those who collect Henry Kissinger jokes will find a treasure trove in the new opera by John

Adams on until April 3 at the Kennedy Center Opera House.

But a warning is necessary for those who judge operas by their resemblance to "La Traviata" or even "Boris Godunov": "Nixon in China" probably represents the opera of the future, but it may shock or upset people devoted to the opera of the past.

"Nixon in China" is a baring of new answers to old operatic challenges. Adams has succeeded in forming a strong operatic style, devising recitative and aria forms rooted in the distinctive idioms of the 1980s. He may encounter some resistance, but in 10 years his opera will be recognized as a classic. Meanwhile, some adjustments must be made—a few in the production, which is hardly problem free, and more in the attitudes of those who want opera to stay fixed at the Puccini level.

Musically, the opera embodies the composer's colorful and often expressive neoromanticism, an idiom capable of generating the kind of expansive lyric and dramatic statements associated with Wagner and Puccini.

Compared with the usual run of operas, "Nixon in China" may seem curiously uneventful, though its theme is entwined with the fate of great nations. The opening night performance was not helped by problems of verbal comprehension. Kennedy Center should seriously consider surtitles, even when the text is in English. The libretto is worth knowing.

Nevertheless, "Nixon in China" is a fresh, inventive and deeply satisfying operatic experience for those with open minds, and it gives new hope for the future of opera as a living and growing art.

It is exactly what its title indicates: an opera—essentially serious, though it has comic elements—about the historic visit to China by Richard Nixon in February 1972. Its primary subjects include the smallness of "great men" and the triviality inevitable in even the most historic occasions. It is also an opera about culture shock, the posturings of diplomacy, varieties of political philosophy and the values of simple human contact.

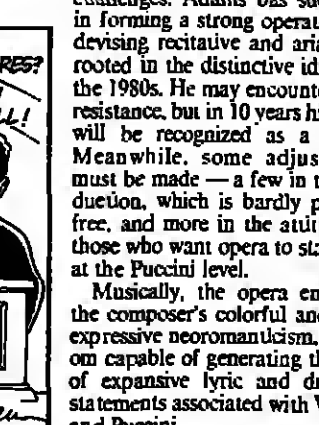
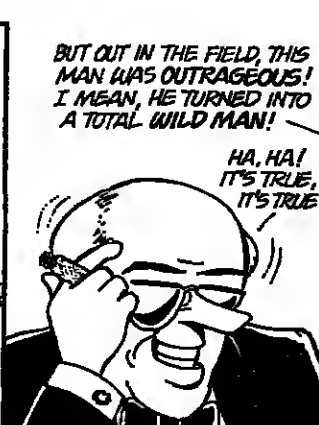
The singing was generally com-

petent and sometimes excellent, and John DeMain of the Houston Opera conducted effectively. Most of the characters did not inspire deep sympathy, though Pat Nixon (well portrayed by Carolann Page) slowly won the hearts of the audience and Zhou Enlai (superbly sung by Sanford Sylvan) brought down the final curtain with a moving aria.

James Maddalena, as Nixon, has mastered his subject's body language. So has Thomas Hammons, who plays Kissinger largely for laughs, in the witty, detailed stage direction of Peter Sellars. John Duykers gives a masterful portrayal of Mao Zedong, and Trudy Ellen Craney as Madame Mao makes maximum use of her brief, chilling appearance in Act 2 and of more reflective material in Act 3.

The ballet is a little gem of soft-core sado-masochism brilliantly choreographed by Mark Morris, combining Western styles and elements of traditional Chinese dance. It is one of the opera's highlights and its psychological turning point.

## DOONESBURY



ADVERTISEMENT

ADVERTISEMENT

## Fashion Shopping in London

## Lucienne Phillips

89 KNIGHTSBRIDGE LONDON SW1X 7RB Telephone: 235 2134

## BRITISH FASHION

Alistair Blair • Jacques Assay • Lisa Bird • Jasper Conran • Victor Edelstein • Gina Fralich • Penny Green • Salmon and Greene • Patricia Lester • Jean and Martin Pallant • Signy • Jean Muir

Sophisticated women, who want the very best of British high fashion, look to Lucienne Phillips for her beautifully edited selection of the crème de la crème of British designers. Spring/Summer Collections feature evergreen stars like Jean Muir, Caroline Charles and Victor Edelstein; younger designers like Arabella Pollen, Alistair Blair and Jean & Martin Pallant; and Tomas Starzewski and Patricia Lester, whose evening designs are knockouts.

## WARDROBE

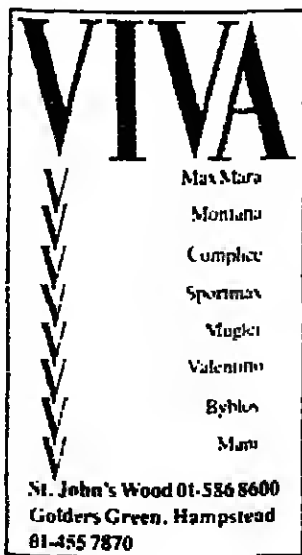
FOR WOMEN WHO MEAN BUSINESS

3 Grosvenor Street,  
London, W.1.  
01-629 7044

17 Chiltern Street,  
London, W.1.  
01-935 4086

Wardrobe has earned an excellent reputation as a place that advise you on how to dress for credibility in your career. The fashion accent is on exclusive Italian and German designers like Jil Sander, Comma, Strenesse, Trid Schöber, Ursula Conzen and Marina Rinaldi.

They also design their own Wardrobe Italia Collection—which features ultra-smart and feminine suits in cool wool, gabardine, poplin and linen for Spring/Summer.



Those who favour a young, sophisticated silhouette—with classic looks that have that extra edge about them—will find that VIVA is very much to their liking. Leading Italian designer names like Moschino, Mani, Max Mara, Sportmax, Byblos, Complice and Miss Valentino are joined by such French luminaries as Montana and Mugli. Awards for evening glamour go to British designers Belville Sassoon and Arabella Pollen.

## CHRISTINA

NEW COUTURE SALON

82 Brompton Road, London SW3 1ER  
Telephone: 01-584 2201

Fans of glamorous ready-to-wear and couture will find much to admire at Christina's. Italian designers include Capucine, Mosseio and Raniero Catonino. The famous French designer, Tan Giudicelli, shows his delicious looking citrus colour frocks for Spring/Summer. Don't miss Christina's personally designed couture evening collection. Favourite colours are strong pinks, blues and reds in gorgeous linens and silks. Look out for the very flattering, short skirts and charming bare backs.

## SHIRIN CASHMERE

51 BEAUCHAMP PLACE, LONDON SW3

01-581 1936

You'll find the chicest collection of designer cashmere for Spring/Summer at Shirin Cashmere. Shapeless cardigans are abolished; in is the Shirin look which owes its success to body hugging shapes. Look out for the charming animal inspired intarsia on some of the designs. Smartest looks are tunics, short skirts, fitted and gathered cardigans, and suizzle-stick short dresses. Summer sorbet colours are sensational; or go for the beautifully classic colours in creams, navys and blacks.

## Yvette

OF KNIGHTSBRIDGE

Tel: 01-245 1927  
Telex: 299040  
Cables: Yvette, London, SW1

71 KNIGHTSBRIDGE  
LONDON, SW1X 7RB

Yvette of Knightsbridge pride themselves on their beautiful exclusive Italian and French designs, and also feature the British designer Benny Ong's exquisite range of cocktail dresses. Elegant day and dramatic evening wear complement the life-style of their international clientele, who will also find a splendid choice of accessories in their current Spring/Summer Collection.



The accent is very much on French fashion in this charming boutique at No. 12 Motcomb Street, SW1. Very chic, young, classic-looking Parisian chic includes bold cotton knits by Philippe Reynier; lovely silky peach separates by Madame de Saintgill; wonderful trouser suits by Serge Nancel; classic, structured looks in linen and light wool from David Fernat and soft silks from Trevisse. Ascot clothes are on their way; and the jewellery from Cri Cri is très smart.

## Sulka

INTERNATIONAL

SINCE 1895

14 OLD BOND STREET, LONDON W1X 3DA

TELEPHONE: 01-493 4468

For the ultimate in sumptuous silk shirts, silk ties, silk shorts and all the necessary accoutrements that makes up a gentleman's wardrobe, go straight to Sulka. Within their elegant walls you will find the world famous exquisitely beautiful silk dressing gowns, smoking jackets, silk pyjamas, velvet slippers, silk boxer shorts, etc.—all of which are hand-made—and most of which are now regularly borrowed or bought with increasing elan by the female of the species.



For unusually good-looking fashion accessories and elegant Italian and German fashion knitwear, look no further than Benni's. You will discover an Aladdin's cave filled with a stunning assortment of handbags and luggage in all sizes and fabrics—designed by Laura Biagiotti and Redwall—dashing belts, shawls and scarves—and charming knitwear by Michi House of Italy and Yada and KB of Germany.

## PALMER

4 MOTCOMB STREET, LONDON SW1X 8JU  
01-235 8236

Hannah Palmer shows elegant day into evening fashions that are always beautifully put together. The Italian, German and British designers that she favours include Laura Biagiotti, Moschino, Marella Lange, and the doyenne of British fashion, Jean Muir. Brilliant coloured sports wear is popular for Spring/Summer; attractively swapped later in the day for flirty cocktail dresses.

## Shirley Leonard

49 South Audley Street London W1Y 5FA

HAUTE COUTURE AND ACCESSORIES

To be elegantly turned out from dawn to dusk is a cinch with the fashions on show at Shirley Leonard's. Her beautiful salon is filled with the riches of some of the most exclusive French and Italian couture and ready-to-wear collections.

Stunning Spring/Summer Collections include Fontaine, Le Copains, Robert Nelissen, Milla Shon, Scherrer, Jacqueline de Ribes, Giorgio Grati and Albani. Sleek cotton knits from Tricot Italy in cream/navy and taupe/white are splendid—and so are the selection of handbags from Bottega Veneta and Anouk.

## CiBi

"Simply Beautiful Clothes"

Leather Suede &amp; Fine Fabrics

Ready to Wear

Exclusive Designs to Order

49 Beauchamp Place,  
London SW3  
01-589 4361

CiBi design original suede, leather and sumptuous silk garments. Classic leather trenchcoats and leather and suede skirts are updated with beautiful attention to detail. Colours can be ordered in whatever hue you wish. Glamorous special occasion outfits—Ascot, Weddings—can be designed along with a matching hat and handbag. Extraverts will love the beautiful Barbell jackets—textured leather with diamante-spanning a wide spectrum of colours.



NYSE Most Actives					
Vol.	High	Low	Last	Ch.	
Bank of America	24 1/2	24 1/2	24 1/2	0	U
AT&T	24 1/2	24 1/2	24 1/2	0	U
IBM	24 1/2	24 1/2	24 1/2	0	U
General Electric	24 1/2	24 1/2	24 1/2	0	U
Johnson & Johnson	24 1/2	24 1/2	24 1/2	0	U
Merck	24 1/2	24 1/2	24 1/2	0	U
Amgen	24 1/2	24 1/2	24 1/2	0	U
Boehringer Mannheim	24 1/2	24 1/2	24 1/2	0	U
Novartis	24 1/2	24 1/2	24 1/2	0	U
Roche	24 1/2	24 1/2	24 1/2	0	U

Market Sales					
NYSE 4 p.m. volume	142,230,000				
NYSE 4 p.m. volume	142,230,000				
NYSE 4 p.m. volume	142,230,000				
NYSE 4 p.m. volume	142,230,000				
NYSE 4 p.m. volume	142,230,000				

NYSE Index					
High	Previous	Low	Close	Today	
142.23	142.23	142.23	142.23	142.23	
142.23	142.23	142.23	142.23	142.23	
142.23	142.23	142.23	142.23	142.23	
142.23	142.23	142.23	142.23	142.23	

**Monday's**

# NYSE

**Closing**

Via The Associated Press

AMEX Diary					
Advanced	Close	Prev.			
142.23	142.23	142.23			
142.23	142.23	142.23			
142.23	142.23	142.23			
142.23	142.23	142.23			

NASDAQ Index					
High	Previous	Low	Close	Today	
142.23	142.23	142.23	142.23	142.23	
142.23	142.23	142.23	142.23	142.23	
142.23	142.23	142.23	142.23	142.23	
142.23	142.23	142.23	142.23	142.23	

AMEX Most Active					
Vol.	High	Low	Last	Ch.	
Bank of America	24 1/2	24 1/2	24 1/2	0	U
AT&T	24 1/2	24 1/2	24 1/2	0	U
IBM	24 1/2	24 1/2	24 1/2	0	U
General Electric	24 1/2	24 1/2	24 1/2	0	U
Johnson & Johnson	24 1/2	24 1/2	24 1/2	0	U

Dow Jones Bond Averages					
Previous	Close	Today			
142.23	142.23	142.23			
142.23	142.23	142.23			
142.23	142.23	142.23			
142.23	142.23	142.23			

NYSE Diary					
Advanced	Close	Prev.			
142.23	142.23	142.23			
142.23	142.23	142.23			
142.23	142.23	142.23			
142.23	142.23	142.23			

Odd-Lot Trading in N.Y.					
Buy	Sales	3000			
142.23	142.23	142.23			
142.23	142.23	142.23			
142.23	142.23	142.23			
142.23	142.23	142.23			

Dow Jones Averages					
Open	High	Low	Last	Ch.	
142.23	142.23	142.23	142.23	142.23	
142.23	142.23	142.23	142.23	142.23	
142.23	142.23	142.23	142.23	142.23	
142.23	142.23	142.23	142.23	142.23	

Standard & Poor's Index					
High	Previous	Low	Close	Today	
142.23	142.23	142.23	142.23	142.23	
142.23	142.23	142.23	142.23	142.23	
142.23	142.23	142.23	142.23	142.23	
142.23	142.23	142.23	142.23	142.23	

Previous NASDAQ Diary					
Advanced	Close	Prev.			
142.23	142.23	142.23			
142.23	142.23	142.23			
142.23	142.23	142.23			
142.23	142.23	142.23			

AMEX Stock Index					
High	Previous	Low	Close	Today	
142.23	142.23	142.23	142.23	142.23	
142.23	142.23	142.23	142.23	142.23	
142.23	142.23	142.23	142.23	142.23	
142.23	142.23	142.23	142.23	142.23	

12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close									
142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23
142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23
142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23
142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23

## NYSE Mixed in Modest Trading

**NEW YORK** — Prices on the New York Stock Exchange closed mixed Monday in moderate trading, dampened by new declines in the dollar, with the broad market failing to share in an impressive blue-chip turnaround.

The Dow Jones industrial average, which fell 108.42 last week, rose 0.82 to close at 1,979.77. The index had fallen nearly 18 points in the first half hour before stabilizing and then edging higher.

Declining issues, however, led advances by about a 5-2 ratio. Volume was about 143.47 million shares, down from 163.17 million traded Friday.

Markets in London, Frankfurt and Paris and most Asian centers closed lower. The exception was Tokyo, where prices had already fallen sharply on Saturday.

The dollar, which rattled the market last week, continued its slide in New York on Monday.

"Basically, it was a day of backing and filling," said William Turtilli, vice president-research of Rodman & Renshaw Inc. in Chicago, "although the market should be pleased that the blue chips came back despite the dollar."

Monte Gordon, director of research for Dreyfus Corp., said, "We're again hooked to the dollar. The market continues to wallow in confusion and uncertainty."

The Dow, which fell 43.77 on Thursday and 44.92 on Friday, closed last week at 1,978.95. It was the first close below 2,000 since Feb. 18, when it finished at 1,986.41.

"My sense is that what happened on Thurs-

## To Our Readers

Because of the seven-hour time difference between New York and Paris until April 3, some items in the Market Summary above are from 3 P.M. New York time instead of the usual 4 P.M. Also because of the time difference, some other items elsewhere in the Business section are from the previous day's trading.

We regret the inconvenience, which is necessary to meet distribution requirements.

## Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close									
142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23
142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23
142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23
142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23

12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close									
142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23
142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23
142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23
142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23

12 Month High Low Stock Div. Yld. PE 52 Wk High Low Close									
142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23
142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23
142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23
142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23	142.23

(Continued on next left-hand page)



TUESDAY, MARCH 29, 1988

Page 9

## ECONOMIC SCENE

Latest U.S. Air Fare Rises  
Don't Mean End to RivalryBy PETER PASSELL  
New York Times Service

NEW YORK — Ticket lines are endless, planes are late and now fares are going up. Coach class jumped 10 to 40 percent this month on many popular U.S. routes, and restrictions were tightened on discounts used by many business travelers. Is airline competition dying, a victim of increased market concentration and monopoly pricing?

Don't hang the black crepe yet. Many economists who follow the airline industry view this latest round of fare increases as a predictable and temporary response to increased demand. Despite the recent wave of mergers that consolidated the industry under seven major carriers, fierce rivalries among the survivors should still force airlines to cater to consumers' most benefits of deregulation.

If the industry is so competitive, why the price jolt — and why now? Airline seats are a perishable commodity. Once a flight has left the gate, empty seats are worthless. If supply expands rapidly or demand falls below expectations, the carriers must discount heavily to bring revenues to maximum levels. Two months ago, Texas Air Corp., the corporate parent of Continental and Eastern, cut its cheapest stay-through-Saturday fares by 20 percent. Now, with the winter travel doldrums ending, Texas Air is looking for the peak back to higher fares.

Employers will probably bear the brunt. Airlines suspect that business travelers will look for excuses to fly this spring to accumulate the triple mileage bonuses offered by "frequent flyer" promotions. The carriers are also growing more confident of their ability to separate business travelers from other passengers who are more sensitive to prices.

AMERICAN Airlines pioneered computerized techniques for "yield management," holding discounted seats in reserve until as many seats as possible are sold at premium fares. Now other carriers are playing American's game. As Lee Howard, executive vice president of Airline Economics Inc., noted, they are eager to reduce the number of business travelers who take advantage of discounts meant to lure vacationers.

From the economist's perspective, such price discrimination is not undesirable. Daniel Kasper, a researcher at Harbridge House, a Cambridge, Massachusetts, consulting firm, argues that business and pleasure fliers have a symbiotic relationship. Business travelers, who value convenience over cost, largely determine where airlines fly, and when. The carriers then try to cover their overhead by filling the remaining seats with bargain-hunters.

It may seem unfair to charge the salesman three times as much as the vacationer in the next seat. But without effective price discrimination, the salesman would have fewer rush-hour departures to choose among, and the vacationer would pay a lot more. According to a study by Stephen Morrison and Clifford Winston for the Brookings Institution, pricing and route flexibility generate \$6 billion in benefits a year for passengers, with roughly two-thirds going to business travelers.

But will the recent wave of mergers, leaving the U.S. industry with just seven national airlines and a dozen "niche" carriers, undermine competition? Alfred E. Kahn, a former chairman of the Civil Aeronautics Board, said he would be happier if People Express were still around to keep the giants on their toes.

So far, though, there is no sign that the airlines have lost their taste for fare-cutting to fill seats.

The greatest threat to competition in the long term is the limited capacity of airports and air traffic control systems. Airlines cannot charge monopoly prices because other carriers will be tempted to grab their passengers. That will change if gates and runways become so scarce that carriers cannot expand to take advantage of the miscalculations of their rivals.

**But Alfred E. Kahn, for one, would be happier if People Express were still around.**

OPEC  
Panel Sets  
New DatePrice Committee  
To Meet April 9

VIENNA — The OPEC price monitoring committee will meet here April 9 to discuss the decline in oil prices and measures to stabilize the world oil market, a spokesman said Monday.

The spokesman, James Audi, said he expected the meeting of the pricing committee, which comprises the oil ministers of Saudi Arabia, Venezuela, Nigeria, Indonesia and Algeria, to last one day.

He also confirmed that the meeting, originally set for April 6-7, was rescheduled at the insistence of Saudi Arabia, the largest producer in the Organization of Petroleum Exporting Countries.

Rilwanu Lukman, the current OPEC president, announced last week that he was convening the committee, which has the power to call an emergency conference of the full 13-nation cartel if oil prices deviate "significantly" from its \$18 benchmark price.

Oil prices had fallen this year to about \$4 to \$5 below the benchmark price but firmed after the earlier reports of a price committee meeting.

In trading Monday, oil prices were generally steady in Europe, with North Sea Brent, the most widely traded international crude, unchanged at \$15.55 a barrel for delivery within the next 15 days.

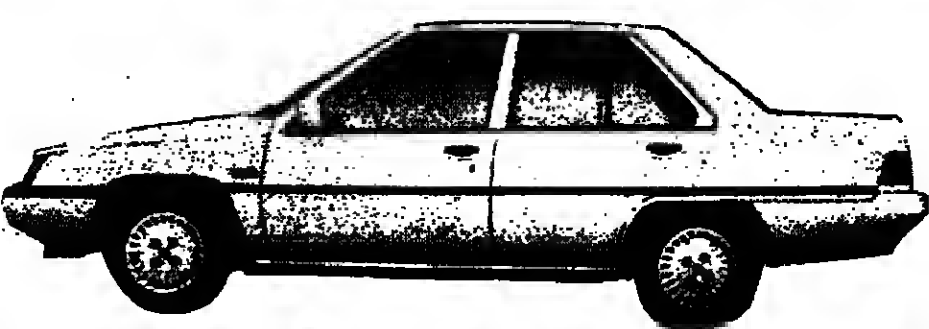
Analysis attribute the recent unraveling of oil prices to spreading OPEC discounts and rising production from non-OPEC nations.

[Trade sources said the state-owned oil company of Indonesia had approved discount sales of crude oil to Japanese term customers for April shipment. Reuters reported Monday from Tokyo.]

[They said the company, Pertamina, had decided to reduce the price of Minas oil to \$16 a barrel, \$1.56 below the official government price. The same discount will apply to other Indonesian crudes.]

[Japanese term buyers had asked Pertamina to cut prices in line with what oil was selling for on the Tokyo spot market — about \$2 to \$2.50 below Indonesian government prices — but Indonesia rejected this, Pertamina said.]

[Japan buys just over half of Indonesia's oil production.]



Malaysia's Proton Saga, designed by Mitsubishi, is scheduled to start U.S. sales in October.

Malaysia Aims at U.S. Car Market  
Maker Hopes Proton Saga Can Escape Subsidy ProtestsBy Keith B. Richburg  
Washington Post Service

KUALA LUMPUR, Malaysia — The U.S. automobile market, already deluged by Japanese Toyotas and Korean Hyundais, is about to get yet another Asian product: Malaysia's Proton Saga.

The subcompact, front-wheel-drive Proton Saga, the pride of Malaysia's fledgling car industry, is scheduled to reach U.S. highways by October, although the date may be delayed because of difficulty adapting the car to U.S. emission and crash safety standards.

The car will be distributed by Proton America Inc. About 30,000 Proton Sagas are scheduled for the first push at a base price initially projected at about \$5,000. The number is set to rise to a minimum of 40,000 yearly.

That would amount to about four-tenths of one percent of U.S. auto sales — far too few, economists in Kuala Lumpur hope, to raise objections about unfair trade practices because of the Malaysian government's large subsidies, heavy duties on cars imported here and the low pay of Malaysian auto workers, who get the equivalent of less than \$1 an hour.

Malaysia's trade surplus with the United States was estimated at more than \$1 billion last year, not enough, in Washington's view, to warrant the kind of restrictive measures aimed at South Korea and Japan.

The Proton Saga was designed by Japan's Mitsubishi Corp. The automaker is 70 percent state-owned, with Mitsubishi holding Proton's Japanese shares.

The car in many ways reflects the latest trend in Southeast Asia, with Japanese companies escaping the high value of the yen at home by taking their components and designs to countries with low-cost labor trying to break into the global auto market.

Neighboring Thailand in January became the region's second car exporter after Malaysia, sending Canada several hundred Mitsubishi Lancers made in Thailand and rebadged as Plymouth Colts and Dodges.

Malaysia launched the Proton Saga as part of Prime Minister Mahatir bin Mohamad's ambitious efforts to diversify the

less than 35,000 two years later. The export side also has been disappointing, with Proton unable to penetrate world markets despite the ambitious plans of its makers. Total export sales amounted to only 1,000 cars, mostly to small countries such as Brunei, Malia and New Zealand.

On the plus side, the manufacturers have succeeded in making the Proton Saga a largely Malaysian car. According to most recent estimates, the car is at least 50 percent made in Malaysia, although the steel and most of the electrical components are imported from Japan.

Also, the Proton still remains the favorite automobile of Malaysia's burgeoning middle class, making it easily the most visible car on Kuala Lumpur's roads and highways.

Proton's popularity is helped by the government's taxation system to discourage competitors — a 35 percent duty on so-called "kit cars," meaning foreign cars assembled in Malaysia from component parts shipped in. Fully built cars are subject to a costly range of duties beginning at 100 percent, making most imports prohibitively expensive for all but Malaysia's very rich.

The Proton is exempt from the duty, though half its parts and components come from Japan.

Now Malaysia is taking Proton Saga on the road to the West, hoping its Mitsubishi-like appearance and its moderate cost can make a dent in U.S. and British markets. Proton Cars (U.K.), the company's London distributor, is scheduled to take 48,000 Protons over five years.

Problems may delay the Proton's arrival in the United States beyond the fall. According to the state-run news agency, Bernama, the makers are still trying to meet U.S. standards, including modifying the bumper and changing the door to install the seat belt system that will be mandatory next year in the United States.

**In Southeast Asia, Japanese firms ship parts to countries with low-cost labor trying to break into the global market.**

economy into heavy industry and to avoid overdependence on its traditional commodities at a time of depressed commodity prices worldwide. Many of those big-ticket economic projects went bust, such as a costly steel mill on Malaysia's east coast and cement plants that are now producing less than their capacity.

The results of the Proton Saga have been somewhat mixed. The automobile is still heavily subsidized here, as much as \$8,000 per car, according to economic analysts. Proton Saga's maker, Perusahaan Otomobil Nasional, is producing about 40,000 cars annually — fewer than half the plant's 100,000-car capacity. The company is estimated to be losing about \$15 million a year.

Part of Proton's problem was the collapse of the domestic car market, said a Western diplomatic economist here. At its peak in the 1984-85 year, he said, Proton sold about 80,000 cars in Malaysia, but that dropped to

Dollar Declines,  
Dragging Down  
Stock Prices

NEW YORK — The dollar closed lower on Monday, depressing stock prices on almost all major markets in what some dealers said could become a cycle feeding on itself.

Prices on Wall Street, after steep falls on Thursday and Friday, fell nearly 18 points in the first half hour before recovering. The Dow Jones Industrial average closed a bare 0.82 points higher, though declining issues led advances.

The Dow's early fall depressed stock prices in London, where the Financial Times-Stock Exchange index of 100 blue-chip stocks fell nearly 28 points, before recovering somewhat to close at 1,746.50, down 21.40 from Friday.

After two months of relative stability, the dollar had fallen on Thursday and Friday, especially against the yen, dragging down stock prices.

"Weakness in the dollar is now beginning to feed off the Dow Jones industrial average," a London currency dealer said.

Meanwhile, the price of gold, a traditional hedge when investors fear inflation will erode the value of cash and securities, rose.

Bullion was fixed in London on Monday afternoon at \$453.90 an ounce, up more than \$3.50 from Friday's close.

In New York, the dollar closed more than 15 pence lower, at 1.6555, against 1.6725 on Friday. The dollar closed at 123.75 Japanese yen, more than a yen down from 125.15 on Friday; at 1.3655 Swiss francs, down from 1.3855; and at 5.6105 French francs, more than 6 centimes lower than Friday's close of 5.6765.

The dollar was also weaker against the British pound, which closed nearly 3 cents higher at \$1.8715, against \$1.8437 on Friday.

Dealers speculated that the Federal Reserve had intervened to buy small amounts of dollars at 124 yen.

On the stock markets, Tokyo was the exception. The Nikkei average closed 301.99 points higher on Monday, recouping almost all of a 305-point loss in a half-day session on Saturday.

But elsewhere, some Swiss blue-chip shares plunged as much as 9 percent and the Zurich, Paris, Amsterdam and Milan bourses each closed more than 3 percent lower.

In Hong Kong, the Hang Seng index fell 35.15 points, while Syd-

ney's all-ordinaries index plunged 44.5 points.

The dollar has not been as low against the yen since Jan. 5, when it started bouncing back from record lows hit the day before on heavy central bank buying.

"The yen is the place to be. The dollar is not," a Frankfurt dealer said, noting that the Japanese economy is strong and the Tokyo stock market firm.

"The market is a little bit afraid of the central banks," he said, "but a crisis atmosphere has built up again and people do not feel comfortable buying dollars." He was referring to the possibility of central bank intervention to support the dollar on foreign exchange markets and last week's heavy falls on Wall Street.

"This is beginning to look like September and October of last year again," he added.

Most foreign exchange dealers

See DOLLAR, Page 13

Tokyo Relaxed  
Over Insurers'  
Dollar Policy

Reuters

TOKYO — Speculation in the currency markets that Japanese life insurance companies will sell dollars heavily in the coming days is groundless, government sources said Monday.

Some currency dealers have predicted that life insurers will sell the dollar once they settle their accounts for the financial year that ends on Thursday.

The dealers say that the insurers have supported the dollar in March to keep the rate from exceeding a 15 percent decline from levels a year earlier.

A larger fall would mean that the insurers, which are heavy investors in dollar-denominated securities, would have to write down the value of those holdings to reflect the currency loss.

Life insurance company sources said last week that they were not intending to sell dollars heavily.

## Currency Rates

From Rates	12/28	1/28	2/28	3/28	3/29
Australia	1.272	1.265	1.258	1.251	1.244
Canada	1.265	1.258	1.251	1.244	1.237
France	1.265	1.258	1.251	1.244	1.237
Germany	1.265	1.258	1.251	1.244	1.237
Italy	1.265	1.258	1.251	1.244	1.237
Japan	1.265	1.258	1.251	1.244	1.237
Netherlands	1.265	1.258	1.251	1.244	1.237
Sweden	1.265	1.258	1.251	1.244	1.237
Switzerland	1.265	1.258	1.251	1.244	1.237
UK	1.265	1.258	1.251	1.244	1.237

Other Dollar Values	12/28	1/28	2/28	3/28	3/29
Belgium	1.265	1.258	1.251	1.244	1.237
Denmark	1.265	1.258	1.251	1.244	1.237
Finland	1.265	1.258	1.251	1.244	1.237
Greece	1.265	1.258	1.251	1.244	1.237
Ireland	1.265	1.258	1.251	1.244	1.237
Spain	1.265	1.258	1.251	1.244	1.237
South Africa	1.265	1.258	1.251	1.244	1.237
South Korea	1.265	1.258	1.251	1.244	1.237
Taiwan	1.265	1.258	1.251	1.244	1.237
Thailand	1.265	1.258	1.251	1.244	1.237

Forward Rates	12/28	1/28	2/28	3/28	3/29
1 month	1.265	1.258	1.251	1.244	1.237
3 months	1.265	1.258	1.251	1.244	1.237
6 months	1.265	1.258	1.251	1.244	1.237
1 year	1.265	1.258	1.251	1.244	1.237

## Interest Rates

Interest Rates	12/28	1/28	2/28	3/28	3/29
1 month	1.265	1.258	1.251	1.244	1.237
3 months	1.265	1.258	1.251	1.244	1.237
6 months	1.265	1.258	1.251	1.244	1.237
1 year	1.265	1.258	1.251	1.244	1.237

Key Money Rates	12/28	1/28	2/28	3/28	3/29
1 month	1.265	1.258	1.251	1.244	1.237
3 months	1.265	1.258	1.251	1.244	1.237
6 months	1.265	1.258	1.251	1.244	1.237
1 year	1.265	1.258	1.251	1.244	1.237

Asian Dollar Deposits	12/28	1/28	2/28	3/28	3/29
1 month	1.265	1.258	1.251	1.244	1.237
3 months	1.265	1.258	1.251	1.244	1.237
6 months	1.265	1.258	1.251	1.244	1.237
1 year	1.265	1.258	1.251	1.244	1.237

U.S. Money Market Funds	12/28	1/28	2/28	3/28	3/29
1 month	1.265	1.258	1.251	1.244	1.237
3 months	1.265	1.258	1.251	1.244	1.237
6 months	1.265	1.258	1.251	1.244	1.237
1 year	1.265	1.258	1.251	1.244	1.237

Gold	12/28	1/28	2/28	3/28	3/29
1 month	1.265	1.258	1.251	1.244	1.237
3 months	1.265	1.258	1.251	1.244	1.237
6 months	1.265	1.258	1.251	1.244	1.237
1 year	1.265	1.258	1.251	1.244	1.237

## Japanese Banks, Pressed by BIS, Are Seeking Ways to Trim Risk Assets

Reuters

TOKYO — Japanese banks, under pressure to improve loan returns on assets for the sake of fair competition in world financial markets, want to sell off some old loans and cut back on new ones to reduce their vast risk assets.

Under guidelines proposed by a committee of the Bank of International Settlements, international banks based in 12 industrial countries would be required to maintain capital equal to 8 percent of total risk assets by the end of 1992.

The general manager of one regional bank said the proposals from BIS, the Swiss-based clearing house for major central banks, will mean an end to "go-go

banking," which he defined as a "management strategy aiming at quantitative growth in business."

New Japanese lending has been rising at an annual average of around 12 percent for the past five years, bankers said.

BIS proposals were, in one sense, meant to suppress Japanese banks' presence in cross-border business, said one bank analyst. "These new notions of capital adequacy are really cramping the financial muscle of Japanese banks."

The BIS, in a report on bank equity ratios released in December, said that Japanese banks accounted for 55 percent of the \$714 billion increase in gross world credit in the year to September 1987.

Among major Japanese city banks, returns on assets ranged from 2.02 to 2.76 percent at the end of March 1987. Those of major U.S. banks ranged from 6.51 to 8.33 percent at the end of 1986 and those of British banks ranged from 4.6 to 9.9 percent at the end of June 1987.

The average annual increase in Japanese banks' capital base has been around 7 percent in recent years, the report said.

The Finance Ministry in Tokyo said March 22 that it had set up its first official committee to devise measures to help banks improve their capital adequacy ratios. The committee first will discuss introducing housing loan trusts, sources on the panel said.

That would be a way to secure 15 trillion yen (\$119.6 billion) of housing loans held by 12 Japanese city banks, as early as mid-April, the sources said.

The next discussion is expected to be on easing rules on banks' convertible bond issues and securing general loans, so banks can raise capital more easily, they said.

The sources said Japan should be ready to act in these areas by late June, when the BIS committee on banking regulations and advisory practices meets again. Banks want to sell general loans rather than housing loans, which have a moderate risk attached.

Trimming assets is not easy, because many buyers of loans have bought enough or are becoming more selective, a U.S. investment bank manager said.

"Who wants to contribute to the city banks' improvement of their return on assets now, when we might also be affected by the BIS proposals?" a manager at a Japanese regional bank said.

Even banks without overseas offices might be classed as international, if Japan follows the U.S. and British monetary authorities' interpretation of BIS proposals. Small financial institutions, such as regional and mutual savings banks, are major buyers of foreign currency loans.

## Australia's Domestic Growth Up Sharply Over 12 Months

Reuters

CANBERRA, Australia — Australia's gross domestic product was 4.6 percent higher in the fourth quarter of last year than in the same quarter a year earlier, the Statistics Bureau said Monday.

GDP rose 1.5 percent in the fourth quarter after falling a revised 0.2 percent in the third quarter, the bureau said.

The 1.5 percent growth compared with just 1.8 percent growth for the whole of calendar 1986 in GDP, which measures the country's total output of goods and services excluding income from operations abroad.

Commenting on the stronger than expected figures, Treasurer Paul Keating said economic growth would not be allowed to get out of hand in 1988. "I think it has got to be watched," he said.

The fourth-quarter rise compared with a 1.3 percent increase in the fourth quarter of 1986, the bureau said.

His figures show. All the figures are adjusted for inflation and seasonal variations.

The annual rise of 4.6 percent also compares with a 4.4 percent rise in the third quarter of 1987 from the 1986 third quarter, the figures show.

Excluding farm production, GDP rose 1.4 percent in the fourth quarter after rising 0.2 percent, revised downward from 0.7 percent growth, in the third quarter. It also compared with a 1.1 percent increase in the fourth quarter of 1986, the bureau said.

Gross farm product rose 3.5 percent in the quarter, compared with a fall of 5.9 percent, revised from a 2.7 percent fall, in the third quarter. It also compared with a 3.8 percent rise in the fourth quarter of the previous year.

Mr. Keating said government policy was on target. He said the figures were "strong figures for

Australia, good figures for the economy."

He said the focus of government policy on cutting the current account deficit and foreign debt would not change.

Asked whether the fourth-quarter growth was excessive, Mr. Keat-

ing said, "If it were to continue right through the year, it would be, yes."

"But this is where the cuts in public expenditure and the fact that the budget will move heavily into surplus in the third and fourth quarters of this year will have an effect on slowing that up."

Cfi

## CONVERTFUND INTERNATIONAL S.A.

Société Anonyme d'Investissement  
Luxembourg, 37, rue Notre-Dame  
R.C. Luxembourg, N° 89129

Notice is hereby given to holders of class "A" shares of ConvertFund International S.A., that on or after March 30, 1988, payment of a dividend of US \$ 0.50 (50 cents) per share will be made against surrender of coupon N° 19 with one of the following paying agents:



























## ART BUCHWALD

## Some Pardon Scenarios

WASHINGTON — With the indictments of Ollie North, John Poindexter, Richard Secord and Albert Hakim, people in Washington are now speculating as to how it will all come out. Here are some theories:

President Reagan will pardon Ollie North and John Poindexter because they both worked for him. But he will do nothing for Secord and Hakim because they were not team players.

The president will not pardon anybody he caused they didn't commit any crimes. And even if they did, Reagan was watching old movies and didn't know about it.

Senator Bob Dole, in one last desperate move for the Republican nomination, will announce that if he is elected president he will pardon Vice President George Bush.

Bush will return that his résumé shows he doesn't need a pardon because he won Texas.

Pat Robertson will proclaim that if he is elected president he will sign a divine forgiveness order for the four defendants, which has double the value of a pardon.

It is predicted that Ollie North will pardon his shredding machine and the people who used it without his permission.

Ollie's lawyer will announce that he is calling President Reagan,

Prime Minister Shamir and the Ayatollah Khomeini as defense witnesses in the trial.

General Secord's lawyer will ask the Sultan of Brunei to open up a defense fund for his client in a Swiss bank account.

President Reagan will announce he is giving a blanket pardon to Ed Meese. This way the president won't have to be bothered with issuing a new one every day.

Northwest Airlines will announce at the beginning of the trial they will not pardon Poindexter if he keeps smoking his pipe in the courtroom.

During the trial the prosecution will ask Hakim where the money is. He will say he doesn't know anything about the money. His only concern is the Contra affair was to see that Ollie North had good fencing for his house.

At some point the Department of Agriculture will be asked to rule if Ollie North's lawyer Brendan Sullivan is a pot plant. If they decide he is, the president will give him a pardon.

The chances of a new Democratic president pardoning the "King of Forgiveness" are about the same as Nancy Reagan pardoning her stepson Michael Reagan. For this reason most of the defendants are rooting for a Republican to win in 1988, just in case Ronald Reagan doesn't sign their pardons.

There is no doubt that the pardoning will be a big campaign issue. Where you stand will test your patriotism. If you are in favor of a fair trial and a not-guilty verdict from the jury you are a good American.

If you pray for a guilty verdict you are stomping on the American flag in your high heels.

## World's Smallest Koran May Be in Yugoslavia

Agence France Press

BELOGRADE — A hotel manager at Pula, Yugoslavia, has inherited what he believes is the world's smallest Koran, the Tanjeng news agency reported Monday. The miniature Moslem holy book inherited from his grandfather by Ebrahim Durrani measures 2.5 centimeters by 1.5 centimeters (about 1 by .6 inches), Tanjeng added.

Recently, a Polish daily said the world's smallest Koran, measuring 3 by 2 centimeters had been discovered in Poland. But soon after, a Tehran daily claimed an Iranian owned an even smaller edition, measuring 2.7 by 1.7 centimeters.

## Design Memory of a Viennese Pupil

By Alan Levy

LUNZ-AM-SEE, Austria — Lillian Langseth-Christensen is the daughter of "a music-loving, wine-cellar-proud, ex-Austrian cavalry officer who had come to New York to fetch mother in 1904 and stayed." She was born in Manhattan 40 years later, and at 14 — trying to look 18, with the help of a walking stick and a cigarette — she went to Vienna to study design with Josef Hoffmann, the architect, decorator and applied-arts innovator.

The author of "A Design for Living: Vienna in the Twenties," published last year, she has been living for almost two decades with her second husband, Richard, a painter five years her junior, in a former Habsburg hunting lodge more than 3,000 feet above sea level, halfway between Vienna and Salzburg.

Her studies with Hoffmann lasted three years and ended abruptly when her brother died of typhoid and she was called back to New York by her parents. Hoffmann — whom she recalls as a symphony of laundried stiffness dressed, like so much of his work, in black and white — spoke to her rarely, always in the third-person singular: "She should cut it in wood" and "She should paint it on the wall" are virtually the only quotes from him in her handsome 214-page book, dressed by Viking Press in a vest of black-and-white Hoffmann endpapers and a jacket of turn-of-the-century Viennese cream-colored packing paper.

"Now that I look back on it all," she says, "it really was the most harmonious of professor-pupil relationships, unmarred by words." Sometimes he would bring a book (on Chinese prints, perhaps, or primitive toys) and lay it before her open to the page she should study. The silent treatment and the dread of Hoffmann's occasional visits made the young Lillian Gaertner and her classmates — including Jo Meisner, the stage designer, and Pola Weinbach, who married first Hoffmann's son and later the mystery writer Rex Stout and designed fabrics for Botany Mills — concentrate intensely on their work.

"None of us was classroom talents that faded out when we were on our own; we were a group of young designers who had been shaped into our careers, and we had been taught to be versatile, to shift within our abilities as the need arose. Hoffmann foresaw the changes that lay ahead in the fields of industrial design and quantity production, and while he tried to stem the trend with his work in the Wiener Werkstätte, he taught us to design, whether it was fashion, fabrics, glass or silverware, ceramics or furniture, costumes or jewelry, interior or mural, postal cards or a beaded bag."

Liesl, as she is known to family and

friends, lived what she learned from Hoffmann, and has enjoyed success as interior designer and decorator in New York, as a dog breeder (with a kennel of 66 boxes at one point) in Connecticut, cookbook author ("A Design for Living" is her 39th book, but first non-kitchen work) and editor for Gourmet magazine, where she has been a contributing editor since the '70s.

After continuing her studies in New York she worked for two years for Joseph Urban, a New Yorker from Vienna who designed sets for the Metropolitan Opera and the Ziegfeld Follies and who had first recommended her to Hoffmann. She painted a huge mural for the Ziegfeld Theater, collaborated on the Persian Room of the Plaza Hotel, did costumes for Maria Jelinek at the Met and upholstered fabrics and place cards for the Huttons, Hearsts, and Palm Beach society, all before turning 21.

At 21, she married an American-born naval cadet named Harold Bolko Petri-Palmedo. They had one daughter before she "slipped off quietly to Reno by myself, the way one did in those days" and got a divorce in 1942.

A few months earlier in New York, she had met a struggling young artist, a Mormon from Utah. By the time he heard that she was divorced, Richard Langseth-Christensen was a U.S. soldier in London. He proposed by cable, which she never received, followed up by mail from North Africa, and by telephone on his return to New York in 1943. Their wedding luncheon was in Manhattan, at Voisin, and wedding dinner at the home of a friend whose father there then was a wedding present a food ration stamp, which they used to buy butter and set up housekeeping in Connecticut.

"We stayed up there for only a week," she recalls, "and then I followed the army." Her husband was sent to Cornell University for a crash course in German, and Liesl enrolled in three art classes. The registrar reviewed her qualifications and asked whether she wanted to take or give the courses; she took. A son, Lars, now a photographer, was born in Washington in 1944.

For 14 postwar years, she worked as an interior designer for the architect Shreve Lamb & Harmon. She coordinated skyscrapers from boiler room to roof, and takes some credit for the uncaged look of modern American banks.

One day on a commuter train, she rode in with Willis Conner, an architect who later became a movie executive. Appalled to hear how much of her life she spent riding the rails, Conner told her: "The only thing you can possibly do with that much time is write a book."

Having learned to streamline her hours in the kitchen, she collaborated with a



Author Lillian Langseth-Christensen.

Connecticut neighbor, Tatiana McKenna (later food editor of Vogue), on "The Look & Cook Cookbook" (1956). From that beginning came the connection with Gourmet as well as "The No Cooking Cookbook" and "The Instant Epicure," "Gourmet's Old Vienna Cookbook: A Viennese Memory" and "Voyage Gastronomique: A Culinary Autobiography," and 33 other cookbooks.

In 1969, she and her husband, by then a noted landscape painter, decided to settle in Austria. Some relatives in Lunz-am-See negotiated for the Habsburg hunting lodge above the town, which is reached by narrow-gauge mountain railway. Before World War I ended the empire, the log cabin had been bestowed on a royal forester for his years of service, and the forester's family sold it (plus "enough land to feed two cows, which we don't have") to the Americans for \$6,000. The new owners had to agree to keep their side gates unlocked for their neighbors to pass through the property, for, even now, says Richard, "the Habsburgs won't go around anyone."

The Langseth-Christensens rebuilt the lodge and combined it with the stable to form a nine-room house and studio. On the morning after Christmas, 1973, they "awoke to a terrific crash. Dick thought a mass of snow might have crushed his skylight window, but when he rushed upstairs, we saw the walls were burning like mad and the heat had exploded all the windows."

A wiring defect and a contractor's failure to fireproof had triggered the disaster, Richard learned. Her fur coat and pushed their car out, but virtually all else

was destroyed, including a pair of Modiglianis, a Baroque wood-carved Madonna, all of Richard's works, and 200 Egon Schiele and Gustav Klimt drawings and watercolors that he had bought in his student days. Though Klimt and Schiele had died in 1918 — as had Hoffmann's teacher, the architect Otto Wagner, Hoffmann's partner, the artist Kolo Moser; half the Vienna Secession group and the whole Habsburg empire — Liesl had met Klimt on a childhood visit to Vienna that she recalls in her book.

"He was a bearded man in one of the studios we visited. His voice was vibrant, his eyes sparkled, he had great vitality and three puffs of dark hair, one in the center of his forehead and one over each ear. He was very kind and, it seemed to me, absolutely divine. I thought of him as very large and beautiful, and am now dismayed to think that he probably seemed very large because I was very small and because he wore a voluminous smock."

"I was not allowed to touch anything, but I was allowed to look. There was a glorious painting on an easel and others glittered from the walls, but the thing that impressed me most was his tentlike smock and the discovery, due to my small size, that his legs were bare under it. It takes only an instant to become a child's unforgettable ideal; he was not only marvelous, but he had a large and handsome cat."

Despite the fire, they were in Austria to stay: "What would we have gone back to in America? We didn't have any clothes; we didn't have anything." Their Austrian insurance would pay only for rebuilding, not for loss. The work cost more than \$100,000, with the couple directing operations for three months from a temporary residence in the local spitz, where they shared the premises with "billions of bees; very well-organized neighbors whom you hardly ever saw, but sometimes heard."

In the early 1980s, his literary agent in New York suggested that, with Hoffmann and his contemporaries coming back into vogue, she should start writing her memoirs instead of a new cookbook. Writing and editing in the longhand 12 to 16 hours a day, sitting up in bed with a tray of lined yellow legal pads and "schoolish pencils" (Richard typed the results), she produced a manuscript that she says one major publisher rejected as "an editing job nobody could do, but Viking published it without changing one word."

"A Design for Living" was recently honored by the American Graphic Society as one of the best-designed books of 1987. "That's only fitting, don't you think?" she says. With Lillian Langseth-Christensen, as with a Hoffmann living room, everything fits.

Alan Levy is a writer based in Vienna.

## PEOPLE

## Nancy Reagan's Rainy In Gridiron Club Day

Nancy Reagan took a rainy day off from her duties as first lady on Monday, March 28, when she attended the annual Gridiron Club dinner in Washington.

Reagan, in a red gown, was accompanied on stage as a choreographer by a group of key figures in the industry, including the first lady, the vice president, and the speaker of the House.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

"Thanks for the memory," she said to the crowd. "I hope you all enjoyed it. I hope you all enjoyed it. I hope you all enjoyed it."

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

"Thanks for the memory," she said to the crowd. "I hope you all enjoyed it. I hope you all enjoyed it. I hope you all enjoyed it."

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

Reagan's performance was a hit, and she received a standing ovation for her song, which included a verse about her husband's recent summit meeting with Soviet leader Mikhail Gorbachev.

## ANNOUNCEMENTS

## SAVE MORE

## SUBSCRIBE BEFORE

## MARCH 31, 1988

## IN THE

## INTERNATIONAL

## HERALD TRIBUNE

## THE LONDON NEWSPAPER SERIES

## 680,000, April 27, May 4, 11, 18, 25, 31, 1988. For details, call 020-7556, 8 rue de la Paix, 75001 Paris, France.

## FEELING LONELY? - hearing problems?

## SCS HEP online in English, 3 p.m. - 11 p.m. Tel: 42 22 60 80

## STAY IN NEW YORK? - 2015 1st St., 10th Floor, New York, NY 10018

## ALCOHOLIC ANONYMOUS English speaking meetings in Paris, Tel: 46 34 39 65

## SPORTS

## HEY AMERICAN

## SPORTSFANS!

## ARE YOU STARVING FOR

## REAL SPORTS?

## WE WILL PROVIDE YOU WITH

## HOMECOMING TEAM FOR

## MORE INFORMATION DESCRIBING

## TO BE A MEMBER OF THE

## SCOUTS, SEND YOUR NAME

## FULLY MAILING ADDRESS TO:

## P.O. Box 400, New York, NY

## 10018, Tel: 212-512-5100

## MOVING

## ALLIED

## VAN LINES INTERNATIONAL

## worldwide moving

## PARIS (1) 43.43.23.66

## FRANKFURT 230646

## LONDON 099 2506